

**Public Review DRAFT**  
**Sphere of Influence Plan Update**  
**Truckee Donner Public Utility District**  
**Nevada County, California**

Prepared for:



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## TABLE OF CONTENTS

<b>Executive Summary .....</b>	<b>1</b>
1.1 - Introduction.....	1
1.2 - District Profile .....	2
1.3 - Sphere of Influence Plan, Map, and Analysis.....	3
1.3.1 - Present and Planned Land Use.....	4
1.3.2 - Present and Probable Need for Services.....	4
1.3.3 - Present Capacity of Facilities .....	5
1.3.4 - Social and Economic Communities of Interest .....	6
1.4 - Recommendations.....	6
1.5 - Conclusions.....	7
1.6 - CEQA .....	8
<b>Section 2: Introduction .....</b>	<b>9</b>
2.1 - Local Agency Formation Commission.....	9
2.2 - LAFCo Policies and Criteria for Sphere of Influence Plans .....	9
2.3 - Municipal Service Reviews .....	11
2.4 - Sphere of Influence Update Process .....	12
2.5 - California Environmental Quality Act.....	12
<b>Section 3: District Profile.....</b>	<b>15</b>
3.1 - Description and Setting.....	15
3.2 - Sphere of Influence.....	16
3.3 - Population .....	17
3.3.1 - Methodology .....	17
3.3.2 - Growth Rates and Projections.....	17
<b>Section 4: Updates to Municipal Service Reviews.....</b>	<b>25</b>
4.1 - Water Services .....	25
4.1.1 - Growth, Population and Resource Availability Projections.....	25
4.1.2 - Service Area .....	26
4.1.3 - Infrastructure Needs and Deficiencies.....	27
4.1.4 - Facilities Sharing.....	28
4.1.5 - Financing Constraints and Opportunities.....	29
4.1.6 - Cost Avoidance Opportunities .....	30
4.1.7 - Opportunities for Rate Restructuring .....	31
4.1.8 - Evaluation of Management Efficiencies.....	32
4.1.9 - Local Accountability and Governance/Government Structure Options .....	33
4.2 - Electricity Utility Services .....	34
4.2.1 - Growth and Population Projections .....	34
4.2.2 - Present and Planned Capacity of Public Facilities.....	35
4.2.3 - Financial Ability to Provide Services.....	39
4.2.4 - Status and Opportunities for Shared Facilities.....	40
4.2.5 - Government Structure, Accountability, and Operational Efficiencies .....	41
4.2.6 - Other Matters Related to Effective or Efficient service delivery as Required by LAFCo Policies .....	43
<b>Section 5: Sphere of Influence Plan, Map, and Analysis .....</b>	<b>45</b>

5.1 - Proposed Sphere of Influence Map and Annexation Plan .....	45
5.2 - Factors of Consideration .....	45
5.2.1 - Present and Planned Land Uses.....	45
5.2.2 - Present and Probable Need for Public Services and Facilities .....	46
5.2.3 - Present Capacity of Facilities.....	<b>Error! Bookmark not defined.</b>
5.2.4 - Social and Economic Communities of Interest .....	51
5.3 - Summary of Determinations .....	52
5.3.1 - Present and Planned Land Use .....	52
5.3.2 - Present and Probable Need for Services .....	52
5.3.3 - Present Capacity of Facilities .....	53
5.3.4 - Social and Economic Communities of Interest .....	53
<b>Section 6: Recommendations .....</b>	<b>55</b>
6.1 - Sphere of Influence Boundary .....	55
6.2 - Sphere of Influence Plan .....	56
<b>Section 7: Conclusions .....</b>	<b>61</b>
<b>Section 8: CEQA .....</b>	<b>63</b>
<b>Section 9: Acronyms .....</b>	<b>65</b>
<b>Section 10: Bibliography .....</b>	<b>67</b>
 <b>Appendix A: Agreement Between Placer and Nevada LAFCos for Coordination on Cross-County Proposals</b>	
 <b>Appendix B: Summary of Power Supply Contracts April 2011</b>	
 <b>Appendix C: CEQA Analysis [FORTHCOMING]</b>	
 <b>Appendix D: Comments Received [FORTHCOMING]</b>	

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**LIST OF TABLES**

Table 1 District Timeline .....	15
Table 2: Population Housing Characteristics .....	17
Table 3: Town of Truckee 2025 General Plan Buildout.....	35
Table 4: Anticipated Energy Demand (GWh).....	36
Table 5: Power Purchased and Power Sold .....	37
Table 6: System Outages 2005–2008 .....	38
Table 7: Budgeted Revenues and Expenses 2006–2011 .....	39
Table 8: Electricity Rates.....	40
Table 9: Departments and Staffing .....	42

**LIST OF EXHIBITS**

Exhibit 1: Regional Location Map .....	19
Exhibit 2: District Boundary Map.....	21
Exhibit 3: Population and Population Projections 1990 to 2025 .....	23
Exhibit 4: Land Uses in the TDPUD Sphere .....	49
Exhibit 5: Recommended Sphere Boundary and Sphere Plan.....	59



## EXECUTIVE SUMMARY

### 1.1 - Introduction

The Local Agency Formation Commission (LAFCo) is responsible for determining boundaries of municipal service providers. LAFCo operates under the Cortese-Knox-Hertzberg Local Government Reorganization Act (CKH) with the mandate of:

- Discouraging urban sprawl
- Preservation of prime agricultural land and open space
- Assuring efficient local government services
- Encouraging orderly growth and development of local agencies

The tools that enable LAFCOs to accomplish those goals are the Municipal Service Review (MSR), the sphere of influence, and the ability to change the organization of a municipal agency. The MSR provides data on services and the ability to provide services. This information is used to determine the sphere of influence that is defined as the probable physical boundary and service area of a local agency. A change in organization, such as annexation must be consistent with the SOI.

In order to establish the sphere of influence, LAFCo is required to make determinations with respect to the following:

- Present and planned land uses in the area, including agricultural and open space lands
- Present and probable need for public facilities and services
- Present capacity of public facilities and adequacy of public services provided by the agency
- Social or economic communities of interest

LAFCo also must comply with the California Environmental Quality Act (CEQA). For the purposes of CEQA and the project of the Sphere Plan, LAFCo is the lead agency. According to CEQA, the lead agency must begin the environmental review with an Initial Study to determine if the Sphere Plan would have environmental impacts in any of the 18 areas of concern, which include climate change. The results of the Initial Study will determine whether a Negative Declaration, a Mitigated Negative Declaration, or an Environmental Impact Report is required.

Alternatively, LAFCo may use an EIR that was completed by another agency for the same area. However, EIR's completed before March 2010 were not required to include a section on impacts to climate change. Using these documents would require LAFCO to provide a supplemental EIR that would address climate change.

The sphere of influence also must be consistent with Nevada LAFCo policies. Those policies state that LAFCo will not include areas in the sphere of influence that are unlikely to require municipal

services. For multi-service districts such as the Truckee Donner Public Utility District (TDPUD or District), the policies require a sphere of influence for each service. They also require a Sphere Plan that describes the phasing of the annexation of territory in the sphere of influence. This document provides a plan for the sphere of influence or probable physical boundary for the Truckee Donner Public Utility District.

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## **1.2 - District Profile**

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The TDPUD is multi-county special district that provides water and electric utility services to the Town of Truckee, and to unincorporated areas of Nevada and Placer counties adjacent to the Town. Exhibit 2 shows the present service area boundaries of the District.

The District currently serves approximately 13,000 electricity customers and 12,500 water customers. The electricity department owns and operates approximately 133 miles of primary overhead and 82 miles of primary underground electrical distribution circuits. The District is considered a transmission dependent utility (TDU) of NV Energy that enables the District to use the NV Energy transmission system for delivery of electricity to the District's electric distribution system. The District has an ownership interest in one of its sources of electricity and has several contracts with differing terms and durations by which it purchases electricity. The TDPUD water system includes 216 miles of pipeline, 16 active wells, of which 13 provide potable water, and 33 storage reservoirs. The primary source of water is groundwater from the 16 active wells.

### **Updates to Municipal Service Reviews**

The District's water services have been reviewed in the East County Water Services MSR, which was completed and approved in 2005. Many of the determinations are still valid. The District pumps water from the Martis Valley Groundwater Basin (MVGB) which is capable of sustaining groundwater extraction of between 24,700 and 34,000 acre-feet per year (AFY) without adversely affecting the long-term storage of the basin. The District continues to add new wells as needed to provide adequate supply. The ability to add new wells allows the District to meet demands of new growth. With the economic downturn, growth has slowed considerably. In the past 5 years, the District has added the Old Greenwood well and the Fibreboard well to its system. The District has also updated infrastructure to correct low service pressure and improve fire flow capabilities.

The District is in the process of updating its Urban Water Management Plan and its Martis Valley Groundwater Management Plan. The Urban Water Management Plan was **adopted June 1, 2011**. The Martis Valley Groundwater Management Plan is a collaborative effort between the District, the Northstar Community Services District ("NCS D") and Placer County Water Agency (PCWA). Development of the plan began in early 2011 and is expected to take about 24-months to complete.

In addition, the District has addressed the new EPA arsenic thresholds. The District added arsenic removal systems on two wells to be sure all wells comply with the standard. The District must also comply with Assembly Bill 2572 (AB 2572), which requires water meters. To meet those



requirements the District has adopted an aggressive 2-year plan to install meters at all connections and has an adopted a new rate structure.

The MSR for electricity services is included in this document. The District’s electric service territory is surrounded on three sides by Liberty Energy (formerly CALPECO and Sierra Pacific) and to the west by PG&E service territory. Some of the key findings are as follows:

- The District anticipates a growth rate of about 2-3 percent per year over the next 10 years and a 1 percent annual growth rate in its load over the next 10 years.
- The District has an agreement with NV Energy to allow the District to transmit power it generates and purchases from Utah and other sources using the NV Energy transmission lines to the District.
- The District has agreements to purchase sufficient power through 2017 and has several contracts to purchase power through 2028.
- The system has a high degree of reliability.
- The District approved a new rate structure in 2007.
- The District has sufficient financial resources to provide services to any anticipated growth through its rate structure and through policies that require new growth to fund their infrastructure needs.
- The District works cooperatively with NV Energy and other power agencies such as UAMPS, WAPA, NCPA, and Liberty Energy to provide service to its customers.
- The TDPUD is governed by a five-member board of directors that is elected at large to 4-year staggered terms. The TDPUD holds meetings on the first and third Wednesday of the month. Meetings are open to the public and shown on cable TV and through a link to the internet.
- Staffing is adequate to provide the necessary services.
- The District communicates to ratepayers through its Board meetings, public outreach program, its conservation garden, website, a quarterly newsletter, and bill stuffers.

The District recently proposed to annex territory in Placer County, including lands owned by the Union Pacific Railroad in the area south of Donner Lake, and residential properties south of the Town of Truckee. The District’s proposal was approved by Placer LAFCo, jurisdiction having been transferred from Nevada LAFCo in consideration of the territory’s location.

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### **1.3 - Sphere of Influence Plan, Map, and Analysis**

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CKH requires LAFCo make four determinations to establish the sphere of influence. The sphere of influence for TDPUD (Exhibit 2) was established in 1983, updated in 1998, and amended in 2002.

Since that time, the District has annexed territory at the request of landowners primarily within the boundaries of the Town of Truckee. The four determinations are summarized below.

### **1.3.1 - Present and Planned Land Use**

The District boundaries include most of the Town of Truckee and the Town's sphere of influence (Exhibit 5). Areas within the Town limits but in the District's sphere includes a portion of the far northeast corner and the eastern portion of the Town north of the Juniper Hills subdivision. The area to the northeast is bisected by I-80. South of I-80, the area contains large-lot residential development with a density of one housing unit per 10 acres. Continuing north toward the Truckee River is an area of Resource Conservation/ Open Space (RCOS) that extends to the river. Once across the river, land use is rail corridor. At the far eastern edge of the Town and north of Juniper Hills, the area is designated as residential and RCOS.

To the northeast of the Town limits, the District's sphere contains portions of the Town's long-term sphere. The area includes approximately 862 acres currently in open space designated as planned development.

Further to the east, the area is designated as forestland. The area in the southeast in the vicinity of Martis Creek Lake is designated a wildlife area; further east, the acreage has been purchased by the Tahoe Truckee Airport District for a conservation easement.

To the north, the area is designated primarily as forestland, except for a quarter-section approximately 2 miles north of the Town limit along SR-89 near Prosser Lake that is designated planned development.

In Placer County, the area south of Donner Lake and west of SR-89 has been identified as forest. This includes the area being considered for electric utility services for Union Pacific Railroad (UPR).

### **1.3.2 - Present and Probable Need for Services**

#### **Water**

Much of the anticipated need would occur with growth in the Town of Truckee. During the last decade, the Town has added on the average 238 new dwellings per year. The Town estimates there is a capacity for 7,000 additional dwelling units within its current boundaries. At the historic absorption rate, there would be complete buildout in 29 years. However, because of current economic conditions and the reduced growth rate, the Town now has a capacity of over 100 years of growth. The Town's newly adopted sphere of influence near-term sphere is already within TDPUD service territory as is most of the long-term sphere to the southwest. The area to the northeast in the Town's long-term sphere is also in the District's sphere. Development in that area would require additional water service from the District.

In Placer County, Placer County Water Agency (PCWA) provides water to areas that are in the current sphere. Consequently, there is no present or probable need for District's water services in Placer County outside the District's boundaries.

### **Electric Utility**

The District's electric service territory is surrounded on three sides by the service area of Liberty Energy, which became the service provider effective January 1, 2011, and PG&E to the west. The District has instituted an aggressive conservation program that has reduced demand so that the District anticipates an annual growth rate in its load of 1 percent over the next 10 years.

Recently, the UPR has requested services for parcels south of Donner Lake. At the time the service provider NV Energy agreed that the District was better able to provide services to that area. When NV Energy sold the service territory to CALPECO, now Liberty Energy, the CPUC agreed to allow the District to serve that area. The area should now be considered for inclusion the electric utility service sphere of influence. This would enable to the District to apply for annexation from Nevada LAFCo or an out of agency service agreement from Placer LAFCo (generally, the affected county LAFCo acts on out-of-agency service agreements).

### **1.3.3 - Present Capacity of Facilities**

#### **Water**

Estimated water demand for buildout of the region is 22,490 AFY. The total available water supply for TDPUD is 24,000 AFY, which represents less than 5 percent of the 484,000 AF available in the MVGB. The MVGB is recharged primarily by snowfall and snowmelt with an estimated annual recharge of 29,165 AFY. There is sufficient capacity to meet the water demands of anticipated growth areas.

#### **Electric Utility**

The TDPUD supplies electricity to the greater Truckee area, serving approximately 13,000 residential and commercial electrical customers in the Downtown, Gateway, Tahoe Donner, Donner Lake, Prosser, Sierra Meadows, Armstrong Tract, Meadow Park, Ponderosa Palisades, Grays Crossing, Old Greenwood, Olympic Heights, the Meadows, Martis Valley, and Glenshire neighborhoods. The TDPUD owns and operates approximately 133 miles of overhead and 82 miles of underground electrical distribution circuits. Power is provided through four electrical substations, 1 metering point, and 17 distribution circuits throughout Truckee.

The District has an ownership interest in one source, but purchases most of its power from several sources. One of its main sources is the Utah Associated Municipal Power System (UAMPS). The District has an agreement with NV Energy to use its transmission system to transfer the power to the Districts substations. Through purchase agreements and the transmission agreement with NV Energy, the District has sufficient power to serve the area within its present boundaries.

Every 5 years, the TDPUD reviews and adopts a new 15-year master plan. For the period between 1997 and 2007, the number of connections grew by 2 percent annually, and power consumption grew by 2.4 percent annually. Because of conservation efforts and economic conditions, the TDPUD is forecasting a 1-percent annual load growth rate between 2007 and 2012. In order to meet projected demands, the TDPUD continues an aggressive conservation program and plans to contract for alternative and additional energy supplies.

### 1.3.4 - Social and Economic Communities of Interest

Communities of interest include residential areas adjacent to the TDPUD boundaries and commercial or industrial areas that may be affected by a change in the sphere of influence. The District boundaries include much of the Town of Truckee. However, there are subdivisions within the Town that are in the current sphere of influence and not served. One such example is the area east of Glenshire. The Juniper Hills area, which is outside the District's service area, is characterized by large, low-density rural lots. Because of density considerations, serving the area may not be cost effective.

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## 1.4 - Recommendations

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LAFCo policies identify two sphere designations: near-term and long-term for each of the services provided by the District. LAFCo may also designate an "area of concern," to indicate an area in which the land use or other actions of one agency may have impact on another. Given current economic conditions much of the development and need for services will be infill projects within the Town's boundaries or in the Town's near term sphere. Both of those areas are within the present boundaries of the District. Expansion to the territory in the District's sphere is likely to occur not in the short term but in the long term. With those considerations, the following recommendations apply to the Truckee Public Utility District Sphere Plan, as shown in Exhibit 5.

- **Near-Term Sphere Water:** The near-term growth is likely to occur as infill with the Town of Truckee. Based on these considerations the area north of Glenshire that is within the Town limits should be considered for the near term water sphere.
- **Near-Term Sphere Electric:** Expansion of electric services will depend on requests for service, an agreement with Liberty Energy to allow the District to provide services, and approval by the CPUC. Although the CPUC does not regulate a public utility it is responsible to make sure investor owned utilities, such as Liberty Energy, are not harmed by the exchange of service territory. The only area where all three criteria are met is the area south of Donner Lake in Placer County shown in Exhibit 5. The UPR has requested service, Liberty Energy has agreed to allow the TDPUD to provide service, and the CPUC has approved. In addition there are a few parcels adjacent to but outside the District's boundary that the District already serves and should be included in the sphere in anticipation of annexation (Exhibit 5). Since the UPR property is within Placer County, some consultation between the Nevada and Placer LAFCOs is required. At present, there exists the Memorandum of Understanding (MOU) between Placer

LAFCo and Nevada LAFCo that essentially recognizes the concerns of multi-county special districts and provides a mechanism for consultation. The MOU is included in Appendix A.

- **Long-Term Sphere Water:** The long-term sphere should include areas that have been designated for development in the current sphere, areas within the Town limit where development may occur in the future and areas in the Town's long term sphere. Parcels satisfying these requirements include the parcel to the west of the District boundary along I-80, which is in the Town's long term sphere. Another area to the north of Prosser Lake along SR 89 is included because it is contained in the current sphere and has been designated as PD, planned development, in the County's General Plan. A third area to the northeast is in the Town's long term sphere. It includes an area within the Town limits and east of Glenshire that has been considered for development previously as Tahoe Boca Estates and now Canyon Springs. The Town is processing the Canyon Springs application but is waiting for the EIR to be completed; the schedule for development and the need for services is uncertain.
- **Long-Term Sphere Electric:** Due to the economic downturn with the expectation of limited growth and the constraints on expansion of the electric utility service territory, no long term sphere is proposed at this time.
- **Areas of Concern:** Since PCWA provides water to areas in Placer County and Liberty Energy provides electric utility services outside the proposed sphere of influence, the area of concern is limited to water services in portions of Nevada County that are within the 1998 sphere. The areas to the west and north are designated forestlands. It is unlikely that the area will be developed, but it may affect the District if the County were to entertain a development proposal. These areas are still close enough to the District so that any changes to land use would be of concern to the District.

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## 1.5 - Conclusions

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The analyses presented in this study leads to the following conclusions:

- The Municipal Service Review of water services for the District has concluded there is sufficient capacity for buildout of the area as specified in the 2025 General Plan for the Town of Truckee and the portion of the Martis Community Plan within District boundaries. District policy requires new growth to fund additional infrastructure needs.
- The Municipal Service Review for electric services has concluded the District has sufficient capacity to accommodate growth within its service territory. District policy requires new growth to fund additional infrastructure needs.
- With regard to the four determinations required by CKH:
  - *Present and planned land use:* The District boundaries include the Town of Truckee and most of the Town's sphere of influence. The Town's 2025 General Plan identifies land uses with

the potential for 7,000 additional residential units that would require services of the District. Land use in the Town's sphere would provide for an area of planned development to the southwest and northeast of the Town. Areas outside the Town are designated forest in Nevada County. The present sphere includes two areas in Placer County bifurcated by SR-89. To the west, much of the area is designated timberland; to the east, there is a mix of residential and forestland. The Placer County portions of the current sphere are served by PCWA for water and Liberty Energy for electric utilities.

- *Present and probable need for public services and facilities:* Infill projects within the Town and development in the Town's near-term and long term sphere would require services of the District.
- *Present capacity of facilities:* There is sufficient capacity for services to both the proposed water and electric utility sphere of influence. District policy requires new growth to fund additional infrastructure needs.
- *Social and economic communities of interest:* Communities include subdivisions within the Town of Truckee, such as Glenshire, the community of Hirschdale to the northeast, the Juniper Hills subdivision to the southeast and the community along the south shore of Donner Lake.,
- The proposed sphere of influence for water services would include areas within the Town limits, within the Town's long-term sphere, and areas proposed for development in the Nevada County General Plan.
- The proposed sphere of influence for electric utility services includes the area south of Donner Lake where the landowner, UPR, has requested services, as well as other Placer County parcels adjacent to the District's southern boundaries that have been receiving services.
- Additional environmental review is needed to address any potential impacts related to a smaller sphere of influence and to address any potential impacts to climate change.

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## 1.6 - CEQA

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Actions taken by LAFCO are subject to CEQA. For CEQA purposes, Nevada LAFCo is the lead agency to complete an environmental analysis of the impacts of the proposed sphere of influence. A reduced sphere is proposed that eliminates much of the area outside of the sphere of influence of the Town of Truckee in Nevada County and the area of the present sphere in Placer County. Update of the sphere requires an environmental analysis, including a discussion of any potential impacts on climate change. The Initial Study prepared by LAFCo determined that the sphere of influence update may have a potentially significant impact or potentially significant unless mitigated impact on the environment, and that an Environmental Impact Report must be prepared. . The Draft and Final EIR is included in Appendix B.

## **SECTION 2: INTRODUCTION**

### **2.1 - Local Agency Formation Commission**

The Local Agency Formation Commission (LAFCo) was formed in 1963 to address the problems caused by explosive growth in the post-World War II era. To accommodate growth, the legislature had created many new local government agencies with irregular boundaries and overlapping jurisdictions. Also of concern was the rapid conversion of prime agricultural lands to urban uses. In 1959, Governor Edmund G. Brown, Sr. appointed the Commission on Metropolitan Area Problems to study and make recommendations on “misuse of land resources” and the complexity of local government jurisdictions. Recommendations from the Commission resulted in the formation of a Local Agency Formation Commission for each county in 1963.

In 1965, the LAFCo legislation became the Knox-Nesbit Act; that year also saw passage of the District Reorganization Act (DRA), which gave LAFCo jurisdiction over special districts. The Municipal Organization Act (MORGA), adopted in 1977, consolidated procedures for changes in organization such as annexation, detachment, incorporation, and consolidation into one act. In 1985, Cortese-Knox combined Knox-Nesbit, DRA, and MORGA into one unified code. The last major revision occurred in 2000 and is known as the Cortese-Knox-Hertzberg Local Government Reorganization Act (CKH). It clarified LAFCo’s purposes as:

- Discouraging urban sprawl
- Preservation of prime agricultural lands and open space
- Assuring efficient local government services
- Encouraging orderly growth and development of local agencies

CKH added the Municipal Service Review to the sphere of influence and the ability to change the organization of cities and special districts as tools to achieve those goals. In addition, CKH requires that LAFCo adopt written policies and procedures.

### **2.2 - LAFCo Policies and Criteria for Sphere of Influence Plans**

CKH requires LAFCo to adopt a Sphere of Influence plan and map for each city and each special district in the County. The Sphere Plan is defined by CKH in Government Code Section 56425 as “a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission.” CKH requires that the Sphere Plan be reviewed and updated every 5 years. The Sphere Plan serves much the same function for LAFCo as general plans serve for cities and counties: it guides LAFCo in its consideration of annexations and other forms of reorganization. CKH also requires LAFCo to make determinations with respect to the following four factors when establishing or reviewing a sphere of influence:

- Present and planned land uses in the area, including agricultural and open space lands
- Present and probable need for public facilities and services
- Present capacity of public facilities and adequacy of public services provided by the agency
- Social or economic communities of interest

Nevada County LAFCo policies have the following additional requirements.

1. **Consistency:** Each Sphere Plan must be consistent with LAFCo's policies and procedures, the State Legislature's policy direction to LAFCo, the Sphere Plans of all other agencies in the area, LAFCo's statement of written determinations with respect to its review of municipal services in the area, and the long-range planning goals of the area.
2. **Sphere Boundary:** With respect to the present and probable need for services, LAFCo will not include lands that are unlikely to require municipal services. With respect to the capacity of facilities, LAFCo will not include areas in an agency's sphere of influence that cannot feasibly be served by the agency within a time frame consistent with the Sphere Plan.
3. **Areas of Concern:** LAFCo, at its discretion, may designate territory beyond the sphere of influence as an Area of Concern. An Area of Concern is defined as a geographic area beyond the sphere of influence in which land use decisions or other governmental actions of one local agency (Acting Agency) impact directly or indirectly upon another local agency (Concerned Agency). When LAFCo receives notice of a proposal from another agency relating to the Area of Concern, LAFCo will notify the Concerned Agency and give great weight to its comments. LAFCo will also encourage Acting and Concerned agencies to establish Joint Powers Agreements or other commitments as appropriate.
4. **Zero and Minus Spheres:** LAFCo may establish a zero sphere (no territory) for an agency that either is not providing services or whose services are no longer needed. A zero sphere designation implies an agency should be dissolved. A minus sphere designation excludes territory within an agency's boundary from the services provided by the agency. A minus sphere is designated for territory that is not in need of the agency's services or when the agency has no feasible plans to serve the territory.

LAFCo policies also include specific requirements for a Sphere Plan. The Sphere Plan must include a sphere map and phased plan for annexation: territory expected to be developed and annexed within 5 years will be assigned to a near-term sphere, while territory expected to be eligible for annexation at some time between 5 and 20 years in the future is designated for the long-term sphere. The Sphere Plan must also contain sufficient documentation to support LAFCo's determinations.

A district's sphere plan must document that the territory within the district's sphere is likely to require the district's services and that the district has or will have the capacity to serve the area at the appropriate level. For multi-service districts, such as the TDPUD, LAFCo will adopt a sphere of



influence plan for each distinct function or class of service provided by the district. These sphere plans may or may not be coterminous. For the TDPUD there should be one sphere for water services and one for electric utility services.

Additional policies relate to the MSR. An MSR must contain information on which LAFCo can base its determination of appropriate sphere boundaries and Sphere Plan provisions. The MSR will also be used in consideration of proposals affecting the agency.

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## **2.3 - Municipal Service Reviews**

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According to LAFCo policy, the MSR must support the SOI by providing the information LAFCo needs to make the required determinations for the sphere of influence. The MSR discusses and evaluates six areas:

1. Growth and population projections: This section relates to LAFCo's mandate of discouraging urban sprawl by providing information on the population projections for the affected area.
2. Present and planned capacity of public facilities: This section relates to LAFCo's charge to assure efficient provision of government services. The discussion covers the status of current and projected facilities and the adequacy of public services, including infrastructure needs and deficiencies.
3. Financial ability of agencies to provide services: A key step to providing effective and efficient services is adequate financing. This section reviews budgets, sources of revenue, and financial reports.
4. Status of and opportunities for shared facilities: The opportunity for shared facilities with other agencies relates to LAFCo's charge of assuring efficient services. Avoiding duplicate facilities of another agency will reduce costs and promote more efficient operations.
5. Governmental structure, accountability for community service needs, and operational efficiencies: An analysis of government structure and accountability examines the makeup of the agency's legislative body, administrative structure, accountability for community service needs, and public participation.
6. Matters related to effective or efficient service delivery required by policy: Local LAFCo policies may have an effect on service delivery. This section includes a discussion of any local policies that influence the ability of the agency to provide efficient services.

Upon approval, the MSR is used by LAFCo in consideration of any future proposals affecting the agency as well as to establish or update the Sphere Plan.

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## 2.4 - Sphere of Influence Update Process

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A Sphere Plan may be amended or updated. An amendment is a relatively limited change to the Sphere Plan or Map to accommodate a specific project. Amendments can add or remove territory, move territory to a different development horizon, address a change in provision of services by an agency, or revise a plan for services when it becomes impractical.

An update is a comprehensive review of the Sphere Plan that includes the map and relevant portions of one or more MSRs. CKH requires updates at least every 5 years. In conducting the sphere review, LAFCo requests the agency to provide updated information for the Sphere Plan and MSRs. If the information is inadequate, LAFCo will complete the update by identifying the territories that currently receive services and excluding territories that are not or will not be served from the sphere of influence.

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## 2.5 - California Environmental Quality Act

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Actions taken by LAFCo require review under the California Environmental Quality Act (CEQA). In many cases, LAFCo is the responsible agency, but when LAFCo initiates the project, it is the lead agency. LAFCo is often the lead agency for adoption of a sphere of influence or a Sphere Plan. The Plan may be exempt or require an initial study for a negative declaration, a mitigated negative declaration, or a full environmental impact report.

LAFCo's determination of a sphere of influence establishes which geographic areas are eligible to be annexed and then served by the subject agency, and territory cannot be annexed unless it has been included in the agency's sphere. Thus, a sphere of influence will determine which areas may receive the agency's services in the future, and therefore will have a potential "growth inducement" effect in these areas by helping to facilitate their future development. Because a sphere of influence does not result in the approval of any specific development and does not commit either the agency or LAFCo to actually approve of any such actual development, CEQA does not require the analysis of the specific environmental impacts of such future development; however, CEQA does require that the "growth inducing" impacts be disclosed and mitigated if possible.

Recent amendments to CEQA also factor into the environmental analysis of a sphere of influence action. For example, AB 32 recognizes California as the source of substantial amounts of GHG emissions. AB 32 establishes a state goal of reducing GHG emissions to 1990 levels by 2020. Many of the sources of GHG relate directly to LAFCo's mandate to discourage urban sprawl and encourage orderly growth in governmental services. In developing the 1990 inventory, the Air Resources Board, in California 1990 Greenhouse Gas Emissions Level and 2020 Emissions Limit (2007), found the major GHG sources are transportation (38 percent) and electricity generation (25 percent). As urban areas grow larger and the distance between housing and jobs increases, the GHG emissions due to transportation systems increase as well. An expanded urban area will also increase demand for electricity.

Expanding urban boundaries also places a burden on municipal service providers for more services and added services may require additional facilities. Water districts that add new water systems increase electricity consumption to pump water. Sewer service providers that add wastewater treatment facilities have the potential to emit GHGs such as methane and nitrous oxide. Sanitation districts that expand landfills have potential to increase methane emissions and the GHGs from service equipment at the landfill. Other services providers that expand services have the potential to increase demand for electricity and/or vehicular traffic.

In addition to AB 32, SB 97 (Dutton 2007) amends CEQA to establish GHG emissions and their effects as appropriate subjects for a CEQA analysis. SB 97 directed the Governor's Office of Planning and Research (OPR) to develop draft CEQA guidelines for mitigation of the effects of GHG emissions by July 2009 and directed the Resources Agency to certify and adopt the CEQA guidelines by January 2010. OPR recently published proposed guidelines that were approved by the Resources Agency. The guidelines were submitted to the Office of Administrative Law for review and became effective in March 2010. As a responsible agency and sometimes a lead agency, LAFCo will have to address GHG effects for changes of organization and sphere of influence expansions under CEQA.

As Lead Agency for the Sphere Update, LAFCo has prepared an Initial Study which determined that the sphere of influence update may have a potentially significant impact or potentially significant unless mitigated impact on the environment, and that an Environmental Impact Report must be prepared. . The Draft and Final EIR is included in Appendix B.



## SECTION 3: DISTRICT PROFILE

### 3.1 - Description and Setting

The Truckee Donner Public Utility District (TDPUD) is multi-county special district that provides water and electric utility services to the Town of Truckee and unincorporated areas of Nevada and Placer counties adjacent to the Town. Exhibit 1 identifies the local vicinity of the TDPUD. The service area also includes much of the western and northern portions of the Town's proposed sphere of influence.

Exhibit 2 shows the present service area boundaries of the District. As seen in the exhibit, the District provides water and electric services to most of the area. The District only provides water to the Glenshire community in Truckee and the Hirschdale community outside the Town's boundary but within the proposed sphere of influence.

The TDPUD was formed in 1927 to provide electrical service to the Truckee area. In 1935, the District purchased the McGlashen water system, which had been in operation since 1883. Originally, the District's water system only provided service to the downtown area. Table 1 provides a timeline showing how the service area and the District have grown.

**Table 1 District Timeline**

Date	Action
1927	TDPUD formed to provide electricity to Truckee area
1935	Purchase McGlashen water system
1943	Acquired Southside Spring
1940s	Expanded service from downtown Truckee to Gateway and Meadow Park
1953	Acquired Tonini Spring water system
Early 1960s	Extended service to Olympic Heights
Mid 1960s	Extended service to Sierra Meadows
Late 1960s	Extended service to Tahoe-Donner, Prosser Lakeview, Ponderosa Palisades
Late 1970s	Extended service to the Armstrong Area
1998	Contracted with Placer County Water Agency to operate Lahontan Water System
2001	Acquired Donner Lake Water System
2002	Acquired Glenshire Mutual Water Company
Source: TDPUD 2007.	

The District currently serves approximately 13,000 electricity customers and 12,500 water customers. The electricity department owns and operates approximately 133 miles of primary overhead and 82 miles of primary underground electrical distribution circuits. Power is provide through four electrical substations and 15 distribution circuits throughout Truckee. The District also provides power to the western portion of the Glenshire community through a distribution feed that is shared with NV Energy.

The TDPUD water system includes 216 miles of pipeline, 16 active wells, and 33 storage reservoirs. The primary source of water is groundwater from the 22 active wells. The groundwater comes from the Martis Valley Groundwater Basin (MVGB). The quality of the water taken from this area is considered excellent for drinking water. However, the implementation of new EPA guidelines on arsenic levels will affect capacity of the TDPUD system. Twelve wells were affected by the guidelines. In response, TDPUD took these wells offline and replaced them by two new wells in 2006.

The District has recently completed an update of its Urban Water Management Plan and has been working with two other agencies to update the Martis Valley Groundwater Management Plan. The Martis Valley Groundwater Management Plan is a collaborative effort between the District, the Northstar Community Services District (NCSD) and Placer County Water Agency (PCWA). The three agencies are sharing the estimated \$250,000 cost, based on their number of customers. This collaborative effort was also able to obtain an additional \$500,000 in federal funding from the Bureau of Reclamation and includes very sophisticated groundwater modeling capabilities from the Desert Research Institute (DRI) along with the inclusion of climate change modeling into the final groundwater model. Development of the plan began in early 2011 and is expected to take about 24-months to complete.

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## **3.2 - Sphere of Influence**

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The sphere of influence for TDPUD was established in 1983, and updated in 1998. Since that time, the District has annexed territory at the request of landowners primarily within the boundaries of the Town of Truckee. The present sphere is shown in Exhibit 2. As seen in the exhibit, the Nevada County sphere extends beyond the Town’s boundaries to include Prosser Lake to the north.

In Placer County the sphere consists of two areas bisected by SR-89. To the east of the highway, the short-term sphere around Sierra Meadows extends all the way to the Northstar Community. The western portion, identified as the 20-year or long-term sphere includes approximately 30 sections or 4,800 acres extending all the way to the base of the Sierra Nevada range.

### 3.3 - Population

#### 3.3.1 - Methodology

Since the District serves primarily the Town of Truckee, population estimates will be based on the Town's population and expected growth within the Town boundaries. Population estimates for the Town of Truckee are derived from the 2000 U.S. Census, California Department of Finance, and Sierra Planning Organization projections. The Sierra Planning Organization is responsible for the regional housing needs allocations for Nevada County and Sierra County local governments.

#### 3.3.2 - Growth Rates and Projections

Population and housing characteristics of the Town between 1990 and 2009 are shown in Table 2. The table shows that from 2000 to 2009, the population grew by 2,274 or just under 2 percent per year.

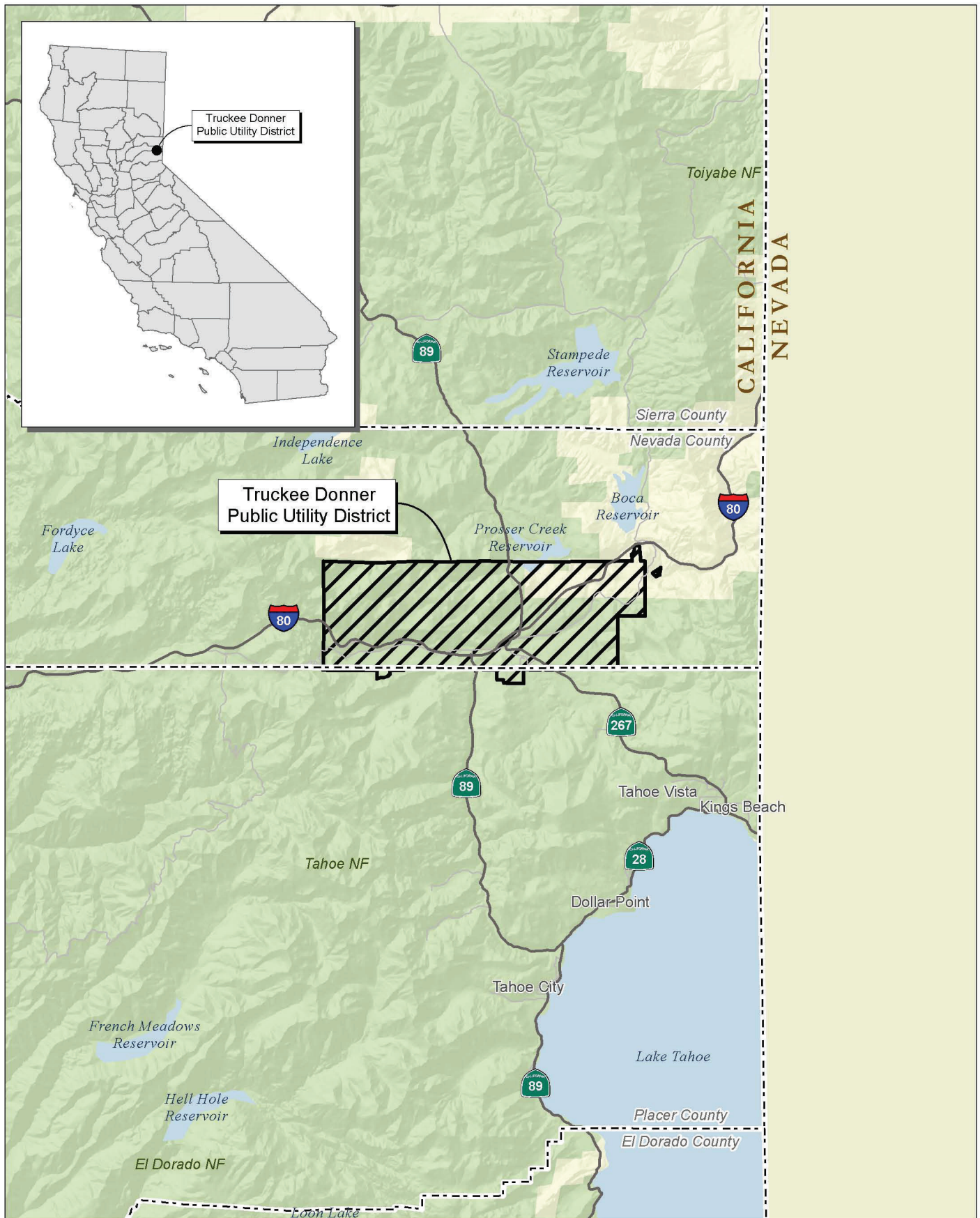
**Table 2: Population Housing Characteristics**

Jurisdiction	1990	2000	2008	2009
<b>Population</b>				
Truckee	8,928	13,967	—	16,241
Nevada County	78,510	92,033	—	98,718
<b>Housing Units</b>				
Truckee	—	9,767	12,136	—
Nevada County	—	44,282	50,788	—
<b>Households</b>				
Truckee	3,289	5,164	—	6,045
Nevada County	30,758	36,894	—	41,968
<b>Persons per Household</b>				
Truckee	—	2.68	2.53	—
Nevada County	—	2.47	2.33	—
Source: Town of Truckee 2009				

Population projections from 1990 to 2025 are shown in Exhibit 3. The forecast is derived from the Town of Truckee 2025 General Plan. The figure shows a projected increase in population of 56 percent between 2008 and 2025 or about 3.3 percent annually. Based on these sources, a growth rate of 2 to 3 percent is assumed for the purposes of this report.



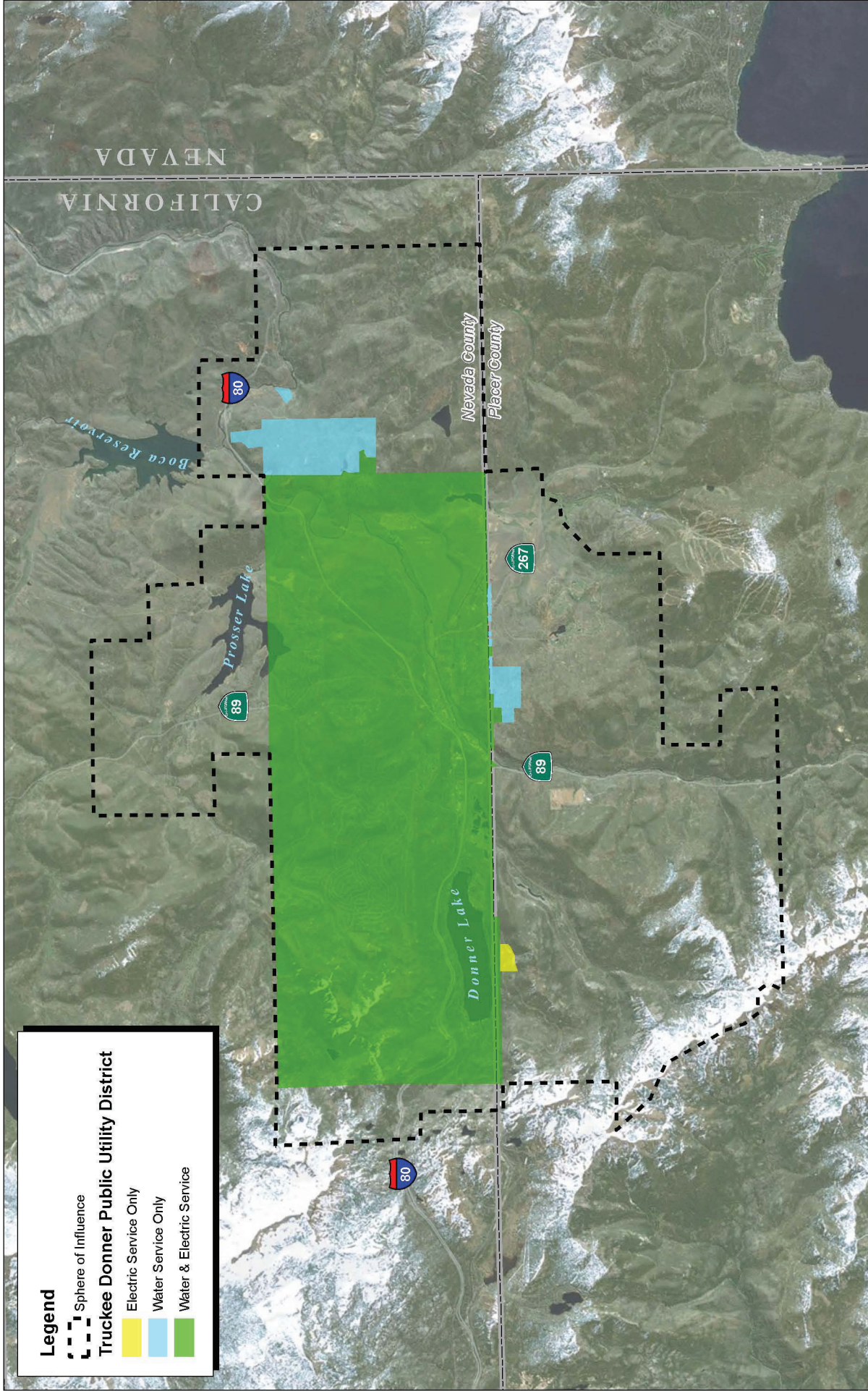




Source: Census 2000 Data, The CaSIL, MBA GIS 2011.







**Legend**

- Sphere of Influence
- Truckee Donner Public Utility District**
- Electric Service Only
- Water Service Only
- Water & Electric Service

Source: Nevada County GIS (2010); ESRI World Imagery; Truckee Donner Public Utilities District (2004).



Michael Brandman Associates

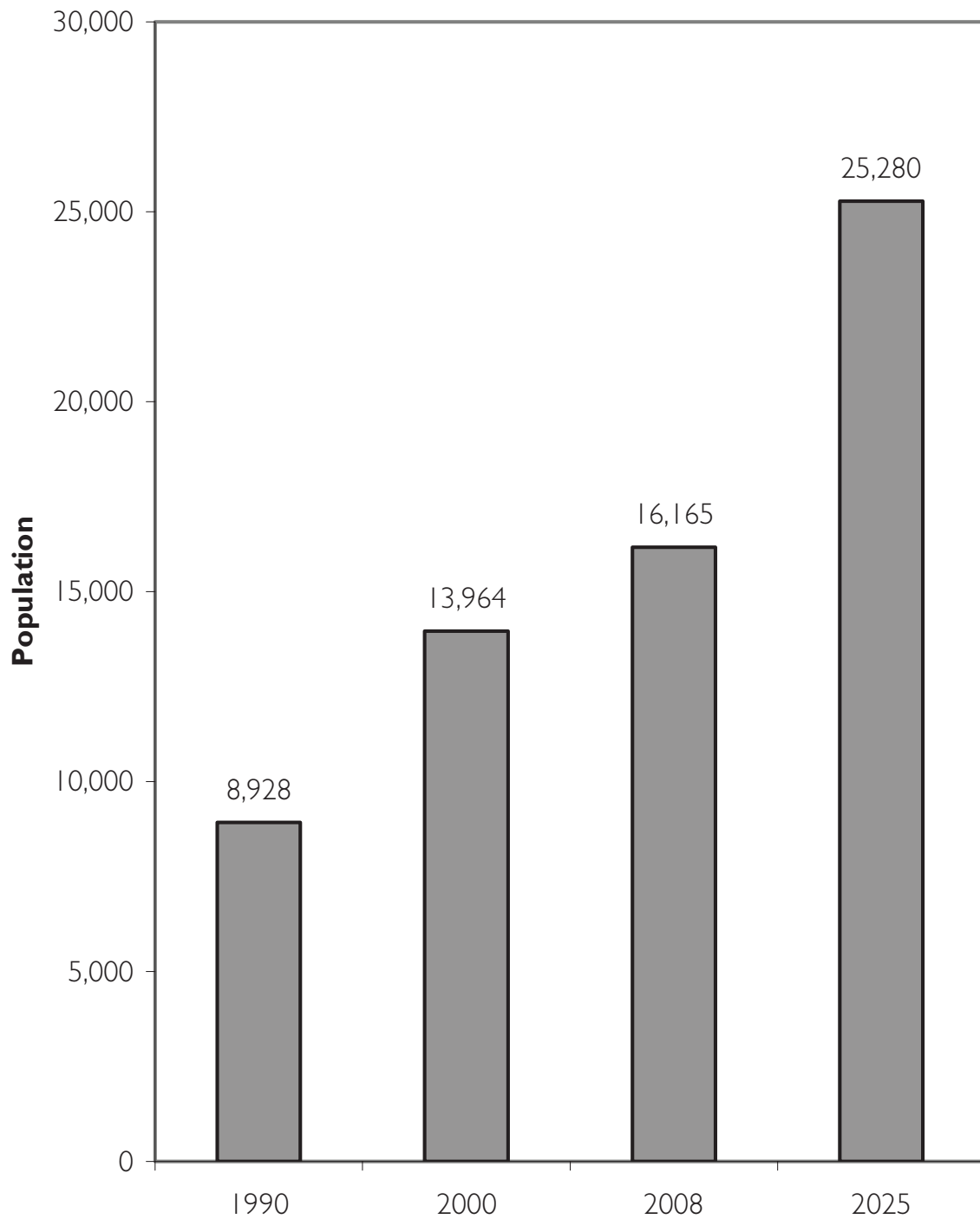
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## Exhibit 2 Truckee Donner Public Utility District

NEVADA COUNTY LAFCO • TRUCKEE DONNER PUBLIC UTILITY DISTRICT  
SPHERE OF INFLUENCE PLAN UPDATE





Source: Town of Truckee (2009).



Michael Brandman Associates

## Exhibit 3 Population and Population Projections 1990 to 2025



## SECTION 4: UPDATES TO MUNICIPAL SERVICE REVIEWS

The TDPUD is a dual-service provider of water and electricity. In 2005, LAFCo contracted with a consultant for a municipal services review of water agencies in east Nevada County. To date, electric services have not been the subject of an MSR. In 2008, the legislature passed AB 1744, which changed the number of required determinations from nine to six. The subsequent sections will review and update the determinations of the water services MSR and complete the electric utility services MSR.

### 4.1 - Water Services

The East County Water Services MSR was completed in April of 2005. The MSR included an evaluation of the water service provided by TDPUD. The preparation of the MSR occurred when there were nine areas to evaluate. The following sections update and summarize the determinations for each of those areas.

#### 4.1.1 - Growth, Population and Resource Availability Projections

**Determination 1:** The Martis Valley Groundwater Basin (MVGB) can sustain groundwater extraction of between 24,700 and 34,000 acre-feet per year (AFY) without adversely affecting the long-term storage of the basin.

**Determination 2:** Current groundwater usage is estimated at approximately 9,151.7 AFY. This means between 15,500 and 25,000 AFY of groundwater are currently available for extraction on a long-term sustainable basis.

**Determination 3:** Total water demand for the Truckee and Martis Valley area under buildout conditions is estimated to be 22,224 AFY.

**Determination 4:** Comparing available supply with projected demand shows that the MVGB will have a sustainable supply of groundwater to serve the Truckee and Martis Valley area under buildout conditions.

**Determination 5:** TDPUD considers groundwater the preferred water source, since an abundant supply currently exists. However, the use of surface water to supply future demand is considered a long-term option if it is determined to be a more cost-effective solution than new wells as demand approaches buildout conditions.

*2011: The District holds the water rights formerly held by the Donner Lake Water Company but does not have any other rights of record. The Donner Lake Water Company held rights to 1,000 acre feet per year, but utilization of this water would require the installation of new facilities and the acquisition of a new site to pump the water.*

**Determination 6:** Annual water diversion of Truckee River Basin water is estimated at 2,500 to 4,000 AFY. The Truckee-Carson-Pyramid Lake Water Rights Settlement Act limits the diversion of surface water in the Truckee River Basin to 10,000 AFY resulting in 6,000 to 7,500 AFY of additional surface water available for domestic water use. However, the likelihood of permitting new rights of record for the river basin is doubtful; therefore, only holders of existing rights of record may use the available water must come from the existing rights of record holders. The Donner Lake Water Company, now part of TDPUD, is a holder of a right of record.

*2011: There are significant unallocated water rights within the California portion of the Truckee River Basin.*

**Determination 7:** The TDPUD Master Plan developed population projections in Truckee based on current growth and established a 2015 population of approximately 20,100. This is consistent with Nevada County LAFCo's high growth population projections for the Town of Truckee.

*2011: The 2025 Town of Truckee General Plan estimates a population of 25,280 at buildout in 2025.*

**Determination 8:** The Martis Valley population projections established in the 2003 Martis Valley Community Plan are much higher under buildout conditions than those of the Nevada County LAFCo. The Nevada County LAFCo population projections for Martis Valley should be revised to reflect the Martis Valley Community Plan projections.

*2011: This may have been a concern in 2004, however with the economic downturn there is little construction activity in the area. Consequently, a reconciliation of population projections is less of a concern.*

**Determination 9:** Future growth within the TDPUD sphere of influence will result from a combination of infill in existing subdivisions and development of vacant lands.

#### **4.1.2 - Service Area**

**Determination 1:** The majority of future growth in eastern Nevada County will be located in the Truckee area. TDPUD offers the best source of retail water in the Truckee area. Its boundaries should be extended to incorporate the area between the Truckee service area and the Hirschdale service area.

**Determination 2:** TDPUD has plans to extend its boundary to incorporate the pending Tahoe Boca Estates subdivision. This is a logical extension of the TDPUD service boundary, as the subdivision is adjacent to the existing service boundary east of Glenshire. Additionally, TDPUD currently operates the Lahontan subdivision water system for PCWA. The subdivision is adjacent to TDPUD's service boundary, which might also be logically extended to encompass it. However, the Lahontan subdivision is located in Placer County, and political and logistical impediments may constrain an extension of TDPUD service to this area.



*2011: Tahoe Boca Estates has yet to be developed. The owners defaulted in 2008 and the property was sold. It is now called Canyon Springs, consisting of 185 lots located east of Glenshire, but within the Town limits. The new property owner anticipates buildout in 2017 assuming the Town approves the application. The Town is processing the application has hired a consultant to complete the environmental review. The TDPUD no longer operates the Lahontan subdivision water system. PCWA has entered in a contract with Northstar CSD for operation of that system.*

**Determination 3:** It would be appropriate for the TDPUD sphere of influence, as discussed under Governance determinations, to include the Placer County portion of the MVGB and for the District to annex planned subdivisions in that area as they go through the development process.

*2011: PCWA now serves the Placer County portion of the MVGB. It is unlikely that the District would provide services to existing or new areas, so inclusion in the sphere is not appropriate.*

**Determination 4:** Water services for large new developments in areas of eastern Nevada County that are outside the Truckee area and not feasibly servable by TDPUD should be provided through the formation of either private water companies or new public water agencies, mainly because the topographical constraints of the region make service from TDPUD infeasible.

#### **4.1.3 - Infrastructure Needs and Deficiencies**

**Determination 1:** TDPUD will have to commit a large amount of capital for maintenance and upgrading of existing infrastructure. Infrastructure to serve the area under buildout conditions will cost more than \$100 million. This cost is anticipated by TDPUD to be funded by developers and various other TDPUD sources (facility fees, rates, Donner Lake Assessment District, etc).

**Determination 2:** The 2004 Water Master Plan stated that under current conditions, the maximum daily demand scenario was expected to produce a capacity shortage in the TDPUD water system by 2004. However, the Prosser Village Well was constructed in 2004 and the District did not experience a water supply shortage. TDPUD is currently soliciting bids for the construction of The Old Greenwood Well, which is to be constructed in 2005.

*2011: The District did not experience a shortage of water supply. The District has constructed water supply wells as necessary to provide service to growth within the service area. The Old Greenwood Well was constructed in 2005 and placed into service in 2006. The Fibreboard Well was placed into service in 2009.*

**Determination 3:** The 2004 Water Master Plan Update has identified 39 needed improvements to the existing infrastructure. The majority of these improvement projects are to install larger piping to increase flow capacity for areas of low pressure and to provide suitable fire flow. Additionally, the 2004 Water Master Plan Update identifies a need for approximately 7.6 million gallons of additional storage in order to have sufficient water for peak-hour conditions and proper fire flow at existing

conditions. The majority of these improvements are scheduled for completion by 2010. It is recommended that any expansion of TDPUD's service area be approved with the condition that new large developments within the expansion are required to construct adequate facilities, including infrastructure and storage, to serve the development. Smaller developments should continue to be required by TDPUD to pay fees that will be used to construct additional storage.

*2011: The District has completed many of the infrastructure improvements and continues its efforts to complete those sited in the MSR. During the course of recent pipeline replacement projects, the TDPUD has corrected low service pressures and improved fire flow capabilities in a number of locations.*

**Determination 4:** The new EPA regulations for arsenic become effective January 1, 2006. Twelve wells will exceed the proposed arsenic limit. The proposed method of mitigation is avoidance, which removes the wells from service temporarily for testing until the section of the aquifer where the contamination exists can be sealed off. One well will be restricted to irrigation use only, one will be removed for temporary testing, and the remaining 10 will be removed from service. (All of these wells belonged to the Glenshire Mutual Water Company and their removal from service was anticipated when TDPUD took over the GMWC.) The removal of these wells would reduce capacity by 122 gallons per minute. Two new wells are anticipated to be on-line by 2006.

*2011: The District currently operates 13 potable water supply wells and three irrigation wells. All 13 potable water supply wells are in compliance with the 10 µg/L limit for arsenic. Two of the wells are equipped with arsenic removal systems to ensure compliance with the arsenic requirements.*

**Determination 5:** New EPA regulations for radon are anticipated in the near future. Preliminary announcements from the EPA have indicated that the maximum allowable radon will likely be 300 picocuries per liter. The new standards are considered likely to have minimal affect on TDPUD's existing wells as the proposed methods of mitigation are Multimedia Mitigation would require minimal, if any, infrastructure additions. At this time, no wells are anticipated to be removed from service due to new radon standards.

*2011: The radon regulations were proposed in 2000 but to date have not been finalized.*

#### **4.1.4 - Facilities Sharing**

**Determination 1:** TDPUD is a multiple-service agency that provides water as well as power and telecommunication. The district is able to distribute the cost of shared resources and facilities among these utility units.

*2011: TDPUD does not provide telecommunication services and has relinquished its authority to provide those services.*

**Determination 2:** TDPUD currently allows the use of its Board and conference room facilities by other agencies.

**Determination 3:** Facilities sharing is limited mainly because of a lack of other agencies providing comparable services in the area.

**Determination 4:** The sharing of water facilities—such as holding tanks, pipelines, and wells among PCWA’s Lahontan subdivision, future Martis Valley developments, and TDPUD—may be possible.

*2011: PCWA has not consulted with the TDPUD about engineering and development of water system infrastructure in the Martis Valley area. Therefore, the TDPUD views the possibility of shared water facilities as very limited.*

#### **4.1.5 - Financing Constraints and Opportunities**

**Determination 1:** TDPUD annually submits its basic financial statements to an independent financial auditor. The audit report is prepared in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

*2011: The most recent audit was completed for the FY09 ending December 31, 2009.*

**Determination 2:** Water sales to customers were \$6.5 million in 2003 and \$5.7 million in 2002. Water division assets in 2003 totaled \$61.6 million, while total liabilities were \$23.9 million. Except for \$0.5 million, net assets are either invested in capital assets or restricted for a specific use.

*2011: Total operating revenues for the water division in 2009 were \$32.8 million and operating expenses were \$26.9 million. Net assets were \$102.9 million.*

**Determination 3:** TDPUD total assets were \$95.4 million in 2003 and \$77.2 million in 2002. The large increase in net assets between 2003 and 2002 is mainly due to an increase of \$10.0 million in capital assets and \$6.0 million in restricted assets.

*2011: Total assets for the District in 2009 were \$163.8 million.*

**Determination 4:** Long-term debt includes revenue bonds and notes payable. The long-term debt increased by \$36.3 million between 2002 and 2003. This increase is mainly due to the issuance of electric revenue bonds used to pay the District’s purchase power settlement contract and the Mello Roos community facilities district bonds used to finance capital infrastructure for a new development.

*2011: There was no increase in long term debt in 2008 or 2009.*

**Determination 5:** Costs for equipment and infrastructure upgrading as a response to new EPA water quality standards for arsenic may be considerable as removal of substandard wells from the potable

water supply will be required. New wells or surface water will have to be put into service in order to replace the substandard wells.

*2011: The District currently operates two wells that are equipped with arsenic removal systems. The operation and maintenance costs for these wells are significantly higher than for the TDPUD's other wells. Therefore, the TDPUD no longer operates and maintains the water system*

**Determination 6:** Costs for upgrading equipment and infrastructure to contend with new EPA standards for radon are considered minimal; however, no formal cost analysis has been completed by TDPUD at this time.

*2011: The EPA has yet to finalize the standard.*

**Determination 7:** TDPUD's Capital Improvement Program addresses improvements to the existing systems as well as improvements necessary to continue to provide quality service through buildout conditions. The cost estimate for the Capital Improvement Program is \$101,271,520 through 2025.

*2011: Capital Improvement projects for the water division are anticipated to be \$5.8 million in 2010 and \$2.7 million in 2011. Sources include operations, customer contributions, restricted funds, the COP loan, and facilities fees.*

#### **4.1.6 - Cost Avoidance Opportunities**

**Determination 1:** TDPUD has instigated a number of programs/practices to assist in the reduction of costs or to realize cost saving opportunities. These programs/practices range from sharing facilities with other agencies to infrastructure modernization to automated customer billing.

**Determination 2:** Future cost avoidance opportunities for TDPUD will mainly be based on internal functions of the District, such as the upkeep of water system infrastructure, purchasing and budget practices, and use of existing equipment. However, shared training practices and the use of meeting facilities with other agencies does occur and should continue.

**Determination 3:** Cost avoidance opportunities, such as the sharing of facilities and equipment sharing with NCSD, are very limited due to the geographical and jurisdictional constraints of the region.

**Determination 4:** There is no overlap of water service boundaries in the area. However, TDPUD is contracted by PCWA to provide services to the Lahontan subdivision in Placer County.

*2011: TDPUD no longer serves the Lahontan subdivision.*

**Determination 5:** TDPUD does belong to an insurance pool for the electric division of the agency. Insurance pools for the water division should be investigated by TDPUD in order to identify the benefits and constraints of such a pool.

*2011: TDPUD is a member of the National Rural Electric Cooperative Association. Both electric and water are included in this membership. The District does not go outseparately by division for insurance. Everything is done District wide.*

#### **4.1.7 - Opportunities for Rate Restructuring**

**Determination 1:** TDPUD changed their residential rates in January 2004. The new rates increased 5 percent. This increase amounted to a \$25.44 to \$35.16 yearly increase over the old rate for total annual rates from \$533.40 to \$738.72. However, these rates do not include an annual adjustment for inflation. The rate ordinance should be amended in order to allow for an annual inflation adjustment.

*2011: HDR Engineering, Inc. performed a rate study for the TDPUD in 2009. The main purpose of the study was to develop a new metered rate structure to ensure compliance with AB 2572. The TDPUD's Board of Directors adopted a new rate structure in November 2009. This structure adjusted rates for both residential and commercial customers.*

**Determination 2:** Rates for duplexes, multifamily units, mobile home parks, and other commercial establishments were also increased in 2004. Commercial rates are based on three charges: a meter size charge, a commodity charge, and a zone charge. All these charges were increased in 2004, but no allowance was made for an annual inflation increase. The rate ordinance should be amended in order to allow for an annual inflation adjustment.

*2011: The District adopted a new rate structure in November 2009, which adjusted rates for both residential and commercial customers.*

**Determination 3:** The facility fee for both residential and commercial development has not been increased since 2001. TDPUD should evaluate the facility fee structure in order to determine if the fee is adequate at this time.

*2011: The current facility fee schedule for residential and commercial development was adopted in 2005. The TDPUD plans to update its Water System Master Plan in late 2011. Facility fees will be reviewed during the update of the Water System Master Plan.*

**Determination 4:** All residential customers are charged the same rate, depending on zone, no matter how much water is used. TDPUD is required to begin charging rates based on the volume of deliveries to metered customers on or before January 1, 2010. If TDPUD had not begun charging metered customers based on actual metered water use by January 1, 2010, it was recommended that no revisions to the boundary or sphere of influence of either the TDPUD or the Town of Truckee be approved until TDPUD has instituted a rate structure based on volume of water delivery for metered customers.

*2011: The TDPUD adopted a metered rate structure in November 2009.*

**Determination 5:** TDPUD is required to install water meters for municipal and industrial customers without a metered service connection by January 1, 2025. The installation of water meters for residential customers without meters has been considered by TDPUD but was judged infeasible due to the cost. Since municipal service reviews should be updated every 5 years, it is recommended that this issue be addressed in a municipal service review performed between 2015 and 2020, as this issue currently does not impact TDPUD's ability to provide water service.

*2011: TDPUD has a two-year program to complete the meter retrofit requirement.*

**Determination 6:** An increase in residential and commercial rates in the near future may not be supported by the Board of Directors or customers, since the rates were increased in 2004.

*2011: The TDPUD's Board has raised rates, held rates unchanged, and even lowered rates at various times in response to various opportunities and economic conditions that have impacted the TDPUD.*

#### **4.1.8 - Evaluation of Management Efficiencies**

**Determination 1:** The TDPUD has determined that one of the main concerns in the upcoming years is the rapid growth in the area and the District's ability to keep up with this growth.

*2011: Because of the current economic conditions, growth has been reduced dramatically.*

**Determination 2:** Because of the growth in TDPUD's service area, the agency has a need for additional staff.

*2011: There is currently minimal economic growth occurring in the Truckee area and the TDPUD does not need to add additional staff at this time. However, additional staff may be necessary in the future if economic growth returns to previous levels.*

**Determination 3:** The TDPUD organizational chart, although complex, is sufficient to allow for efficient service delivery functions. Personnel in various divisions are cross-trained to provide continuous service.

**Determination 4:** TDPUD's 2004 Water Master Plan Update identifies future demand and projects to provide service for this demand.

**Determination 5:** The TDPUD budget recognizes the need to expand water and electric infrastructure to meet the needs of growth and development. The budget utilizes the finance master plan to prepare for the future.

**Determination 6:** The Board of Directors for TDPUD conducts an annual strategic plan workshop and identifies issues that will be attended to in the coming year.

*2011: The TDPUD does not conduct a dedicated strategic plan workshop. The TDPUD Board conducts workshops through the year to consider issues of importance and to set policy goals as necessary.*

**Determination 7:** In the past, the water fund has relied on the financial strength of the electric fund to assist TDPUD's ability to provide quality water service. This changed in 2003 and a Surplus Land Trust Fund was established to advance funding needed for water capital improvement projects. TDPUD will need to continue to manage water system capital so it will support future water system needs.

#### **4.1.9 - Local Accountability and Governance/Government Structure Options**

**Determination 1:** TDPUD holds regular public meetings that are in compliance with the Brown Act and all laws governing public meetings.

**Determination 2:** All plans, reports, and documents are available to the public.

**Determination 3:** All rate and fee increases are discussed and approved/disapproved in a public forum.

**Determination 4:** TDPUD has not been involved in any reorganization studies with any other service providers in the past 2 years, nor does the District consider any restructuring needed.

**Determination 5:** TDPUD is the only public water agency serving eastern Nevada County. PCWA and NCSD operate in the Martis Valley area, and TDPUD's reorganization/consolidation with these water service agencies may be possible. However, topographical, political, and logistical constraints would have to be surmounted.

*2011: TDPUD is not the only public agency serving eastern Nevada County. The Donner Summit PUD provides water and sewer service to the Soda Springs area. The options for consolidation of the two districts are very minimal to non-existent. In addition to the constraints listed in Determination 5, the two districts don't provide the same menu of services and the communities they serve are quite different.*

**Determination 6:** Although TDPUD is functioning well and is viable, the possibility to merge or consolidate it with other service providers or public agencies in the area does exist. TDPUD is the only water agency in Truckee, and many single-purpose providers do exist in the area.

**Determination 7:** PCWA is the agency responsible for serving the Placer County portion of the MVGB. However, TDPUD is contracted by PCWA to provide water services within the Martis Valley areas under PCWA's jurisdiction. It is recommended that TDPUD annex Lahontan into its service area and that the Commission consider inclusion of the Martis Valley portion of Placer County in the District's sphere of influence. As subdivisions in that area are approved, they should be

annexed into TDPUD’s service area. The consolidation of services in this area would provide more cost-efficient services greater accountability of water resources, and simplify long-term planning for use of water resources within MVGB.

*2011: PCWA provides water services to the portion of the current TDPUD in Placer County. The TDPUD no longer operates the Lahontan subdivision water system. PCWA has entered in a contract with Northstar CSD for operation of that system.*

**Determination 8:** Economic savings would be possible with only one public agency providing water in the Truckee/Martis Valley Groundwater Basin area as this would reduce redundant personnel, services, and infrastructure required by multiple water service providers. A complete economic study should be performed to evaluate this possibility.

*2010: To date, no such study has been performed.*

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## 4.2 - Electricity Utility Services

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The TDPUD is a transmission dependent utility (TDU) of NV Energy and has a Network Integrated Transmission Service (NITS) Agreement with NV Energy that enables the District to utilize the NV Energy transmission system to for delivery of electricity to the District’s electric distribution system. The District has an ownership interest in Nebo Natural Gas Generation facility and has several contracts with differing terms and durations by which it purchases electricity. TDPUD provides electricity to residential, commercial, and other uses within the boundaries of the District, which include portions of the Martis Valley adjacent to the town of Truckee. The service area for electric utility services approximates the overall service boundaries of the District. As shown in Exhibit 2, the District does not provide electricity to Glenshire to the northeast or Sierra Meadows to the south, but it provides water to those areas. The area south of Donner Lake receives electricity but no water services. The District purchases its energy through bilateral contracts with entities outside the Truckee area. Power is brought to the District’s four substations and one metering point over NV Energy’s transmission system. It is then distributed over the District’s 15 individual circuits to approximately 13,000 electric customers. Liberty Utilities (formerly NV Energy) and PG&E serve surrounding areas.

The District provides electric service within both Nevada and Placer counties, and it serves customers in the downtown Truckee area, Gateway, Meadow Park, the Armstrong and Biltz Tracts, Donner Lake, Tahoe Donner, Sierra Meadows, Ponderosa Palisades, Ponderosa Ranchos, Prosser Heights, Prosser Lakeview, Sugar Pine Estates, Olympic Heights and portions of Glenshire. NV Energy and PG&E serve surrounding areas.

### 4.2.1 - Growth and Population Projections

The boundary of the District covers most of the incorporated portion of the Town of Truckee. In 2008, the Town consisted of 12,136 housing units and a permanent population of 16,241. The Town’s 2025



General Plan identified an area of growth within the present town boundaries and a sphere of influence. Table 3 shows projected buildout within the town limits and the Town’s sphere of influence.

**Table 3: Town of Truckee 2025 General Plan Buildout**

Residential Units	Town Limits	Sphere of Influence
Single Family <sup>a</sup>	15,293	522
Multi-Family	3,644	—
Second Units <sup>b</sup>	1,145	105
<b>Total</b>	<b>20,082</b>	<b>627</b>
Notes: <sup>a</sup> Includes mobile homes <sup>b</sup> Assumes 20% of all future single family units will include secondary dwelling units Source: Town of Truckee GP EIR (2005)		

Based on the projection of housing units and assuming the persons per household remains unchanged, the Town’s 2025 General Plan estimates a 70-percent increase over a 17-year period. That translates to a 4-percent average annual growth rate.

However, growth has been slowed by current economic conditions. The Town had seen virtually no growth in the last year. The Tahoe Truckee Sanitation Agency, which normally sees 300 to 400 requests for connections a year, had only received 75 during the first 8 months of 2010. Extrapolating this data shows that the growth rate is about 25 percent of the anticipated growth rate or an annual average of 1 percent.

In the TDPUD for the 10-year period ending in 2007, the number of connections grew by 2.0 percent annually, and power consumption grew by nearly 2.4 percent. However, because conservation efforts and a slowdown of large-scale development, the District anticipates growth for the next 10 years to be 1 percent.

**Determination 1:** The District anticipates an annual average growth rate of 1 percent over the next 10 years.

#### 4.2.2 - Present and Planned Capacity of Public Facilities

TDPUD is a non-profit, publicly owned utility committed to providing cost-effective, reliable power to the greater Truckee area. The District serves approximately 13,000 residential and commercial electrical customers in the Downtown, Gateway, Tahoe Donner, Donner Lake, and Prosser neighborhoods as well as parts of Sierra Meadows, Martis Valley, and Glenshire. Of the 13,000 customers, 88 percent are residential. Energy use in 2010 was 147.7 gigawatts (GWh) and peak energy was 37.9 MWh. Unlike other electric utilities, peak load occurs in winter since there is very little air conditioning load on the system. Table 4 shows the estimated demand and peak demand

from 2009 through 2015. The figures for 2009 and 2010 are actual, while the others are forecast. The table shows a modest increase in demand through 2015.

**Table 4: Anticipated Energy Demand (GWh)**

	2009	2010	2011	2012	2013	2014	2015
Average Demand	146.9	147.9	147.7	148.0	148.4	149.2	149.6
Percent Change	—	0.3	0.3	0.2	0.3	0.5	0.3
Source: California Energy Commission 2007.							

The District owns and operates approximately 133 miles of primary overhead and 82 miles of primary underground electrical distribution circuits. Power is provided through four electrical substations and 15 distribution circuits throughout Truckee. The Tahoe-Donner Substation serves the northwest area; the Donner Lake Substations serves the area surrounding Donner Lake; the Truckee Substation serves the Downtown area, Gateway, and northeast area; and the Martis Substation serves the southeast area. The District also serves the western portion of Glenshire through a distribution feeder that is shared with NV Energy.

TDPUD receives its power from Utah Associated Municipal Power Systems (UAMPS), Western Area Power Administration (WAPA), and Northern California Power Agency (NCPA). The power is wheeled over NV Energy's transmission system. The interconnection points to NV Energy's control area are Summit Intertie, Alturas Line, Gondar Substation near Utah, and Midpoint Substation (to Idaho Power).

The District is a transmission dependent utility (TDU) of NV Energy. In 1999, the District entered into a Network Integrated Transmission Service Agreement with Sierra Pacific Power Company (later NV Energy and now Liberty Energy), to utilize the NV Energy transmission system to deliver electricity to the District's distribution system. The agreement extends this arrangement through December 31, 2027.

Beginning January 1, 2005, the District entered into an agreement with WAPA. The agreement entitled the District to an allocation of the power generated by the WAPA system. These purchases represented 9.3 percent of the 2009 purchases and 7.7 percent of the total purchased power in 2008.

Because delivery of the power to the District is complex, the District assigned the power to a third-party scheduler. The scheduler then uses the value of this power to offset power purchases from power providers. The District purchases scheduling services from Northern California Power Agency.

In December 2005, the District entered into an agreement with UAMPS. Subsequently, the District has entered into other agreements for power capacity extending through 2017. In 2009, the District

signed an agreement with UAMPS for approximately 5 mw of the Nebo natural gas generation plant capacity.

The UAMPS contract and the WAPA contract comprised the majority of a diversified power portfolio. Table 5 summarizes the power that is available or purchased, and the actual power used for the period 2005 to 2009. Also shown is the forecast power available through 2011. Appendix B includes a list of power supply contracts current through April 2011.

**Table 5: Power Purchased and Power Sold**

Year	MWh Received	Transmission Losses (MWh)	Total Bulk Power (Received + Losses)	Power Sold (MWh)	Distribution Loss (%)	Power Budgeted
2005	142,852	3,767	146,619	136,339	4.8	145,382
2006	153,210	4,018	157,228	144,269	6.2	150,168
2007	154,342	4,042	158,384	147,091	4.9	156,693
2008	156,113	4,076	160,189	148,305	5.3	161,604
2009	153,677	4,018	157,695	146,875	4.6	163,220
2010 <sup>1</sup>	155,924	4,076	160,000	—	—	—
2011 <sup>1</sup>	157,873	4,127	162,000	—	—	—

Notes:  
<sup>1</sup> Forecast other years are actual  
 Power Sold: This is the amount measured and sold at the customer's meter.  
 Transmission Losses: This is the amount of MWh the transmission (NV Energy) requires by tariff as loss.  
 Total Bulk Power: The number of MWh received plus transmission losses also the number of MWh in the purchase power budget.  
 Distribution System Losses: The difference between the amount received and the amount sold. The distribution losses are typically 5%.  
 Source: TDPUD 2010c.

The table shows the District purchases enough power to overcome transmission losses and distribution losses. It also shows the power sold peaked in 2007 and has declined in 2008 and 2009. The budget forecasts a gradual increase in bulk power in 2010 and 2011.

The District also purchases electricity from renewable energy sources. The District's resource mix includes 21 percent renewable sources in 2010, such as electricity derived from the Horse Butte Wind project in Idaho. The project is expected to produce 50 to 100 mw of power. In April, the District staff was directed to subscribe to 9,000 kilowatts (kw), and in September increased its subscription to 915,000 kw. The load factor is 30 percent; therefore, 9,000 kw would yield an average of 5,000 kw per hour. The power is purchased through a contract with UAMPS.

### System Reliability

System reliability is measured by the number of power outages and the duration of the outage. Typically these are quantified by two indices: the System Average Interruption Frequency Index (SAIFI) and the System Average Interruption Duration Index (SAIDI).

The SAIFI is a ratio of the number of customer interruptions to the number of customers served in units of interruptions per customer. The SAIFI is measured over the course of year, and according to the Institute of Electrical and Electronics Engineers (IEEE) Standard 1366-1998, the median value for North American utilities is 1.10 interruptions per customer.

The SAIDI is defined as the ratio of all customer interruption durations to the total number of customers. SAIDI is measured in units of time, usually minutes or hours. According to IEEE Standard 1366-1998, the median value for North American utilities is 1.50 hours.

Table 6 shows the SAIFI and SAIDI for each substation and the system for the period from 2005 to 2008. The table shows that Martis Valley and Tahoe Donner Substations experienced the majority of the system outages. An investigation showed that animals, trees, and the power supplier were of the cause of the outages. Nevertheless, the TDPUD system has a high degree of reliability compared with the IEEE standard median values.

To improve and maintain reliability, the District has aggressively replaced aged facilities over the years, resulting in a more reliable system. The District has a test and treatment regimen for poles and is in the process of replacing aged poles. The District replaces an average of 35 poles per year at a cost of \$3,000 per pole. The maintenance program will aid in providing highly reliable services.

**Table 6: System Outages 2005–2008**

Substation	Outages	SAIFI (Average)	SAIDI (Average) Minutes
Donner Lake	9	0.002	0.026
Glenshire	10	0.003	0.216
Martis Valley	38	0.003	0.528
Tahoe Donner	51	0.004	0.462
Truckee	18	0.004	0.685
System Total	141	0.002	0.381
Source: TDPUD 2009a			

**Determination 1:** The District has an ownership interest in one facility, but mostly purchases power and then distributes it to its customers.

**Determination 2:** The District has an agreement with NV Energy to provide transmission services to the District through December 31, 2027.

**Determination 3:** The District has a membership agreement with the WAPA that entitles the District to an allocation of the power generated by the WAPA system. The District also purchases power and renewable energy from UAMPS.

**Determination 4:** The District has agreements for power capacity through 2028.

**Determination 5:** The District system has a high degree of reliability in terms the frequency and duration of outages.

#### 4.2.3 - Financial Ability to Provide Services

**The District uses the calendar year as its fiscal year. The most recent two-year budget covers 2010 to 2011.**

Table 7 summarizes the revenues and expenses for the electricity department for the period 2006 to 2011. The District is an enterprise district that receives revenue from sales of electricity and water to its customers. The District does not receive any property tax.

**Table 7: Budgeted Revenues and Expenses 2006–2011**

	2006	2007	2008	2009	2010	2011
Total revenues	\$19,360,694	\$20,194,708	\$22,593,243	\$23,669,071	\$22,883,463	\$23,867,628
Transfers In <sup>a</sup>	\$284,656	\$793,549	\$3,267,908	\$1,260,780	\$806,676	\$761,255
Total operating Expenses	\$14,600,964	\$15,227,979	\$18,125,434	\$18,694,528	\$18,234,404	\$18,910,762
Transfers Out <sup>b</sup>	\$4,466,960	\$4,359,903	\$4,354,245	\$4,125,584	\$4,089,480	\$3,915,961
Net	\$723,776	\$1,400,374	\$3,381,473	\$2,109,739	\$1,721,242	\$1,653,622
Notes: <sup>a</sup> Transfers In include restricted funds, fiber leasing, building fund, land sales in 2008, a loan in 2006 <sup>b</sup> Transfers Out include debt service, rate stabilization reserve, Certificates of Participation in 2006-08, public benefit reserve in 2008, contingency in 2010–11, and vehicle reserve 2009–11. Source: TDPUD 2007; TDPUD 2008; TDPUD 2009b; TDPUD 2010c.						

Table 7 shows that with the exception of 2010, the District has steadily increased revenues. The lower figure in 2010 is likely due to increased efficiencies, conservation, and the economic downturn. Expenses have been budgeted to be less than revenues. After accounting for transfers, the District has a net positive balance. Transfers out have included an annual contribution to a rate stabilization reserve, operational reserve, and vehicle reserve funds. The reserve allows the District to maintain rates despite the cost of fluctuating energy prices.

Electricity services like water services have two sources of funding. Operations are funded by utility rates paid by the rate payers. Expansion of services are often funded through development fees, contribution of facilities by developers, facilities fees and connection charges. The District has been

willing to increase rates when needed. Rates were revised in January 1, 2008 with the passage of Ordinance 2007-03. The rates as of January 1, 2009 are shown in Table 8. By comparison with the neighboring utility, Liberty Energy, the charges per KWh are slightly higher. For example Liberty charges \$0.109 per KWh for residential customers and \$0.075 per KWh for large commercial customers.

**Table 8: Electricity Rates**

Category	Rate	Customer Charge (per month)	Energy Charge (per KWh)	Demand Charge (per KWh)
Domestic- Permanent Resident	P10	\$6.76	\$0.132	—
Domestic - Non-Permanent Resident	S10	\$6.76	\$0.151	—
Small Commercial	15	\$13.10	\$0.159	—
Medium Commercial	20	\$130.81	\$0.094	\$12.86
Large Commercial	25	\$573.78	\$0.097	\$12.29
Source: TDPUD 2010b.				

In developing the FY 2011 budget, the District anticipates the need for a rate increase of 3 percent. The rate increase is primarily due to the increase in power supply costs. In October 2010, District staff reviewed the need for a rate increase and recommended to the Board that a rate increase was not necessary. The recommended change came about because the utility's purchased power costs have been lowered and are projected to remain stable. In addition, the District received a \$300,000 refund from UAMPS that would be credited toward future power purchases.

**Determination 1:** The District has been able to maintain a slight excess of revenues over expenses.

**Determination 2:** The District maintains a rate leveling reserve.

**Determination 3:** The District approved a new rate structure in 2007.

**Determination 4:** The District has sufficient financial resources to provide services to anticipated growth through its rate structure.

#### **4.2.4 - Status and Opportunities for Shared Facilities**

The District works cooperatively with several agencies to deliver power to its residents. The District is a TDU of NV Energy and has a Network Integrated Transmission Service Agreement with NV Energy that enables the District to utilize the NV Energy transmission system to for delivery of electricity to the District's electric distribution system. The District works cooperatively with Liberty Energy as they also serve some of each other's customers. The District also has power purchasing agreements with WAPA and UAMPS. The District has an ownership interest in one of its sources of electricity and has several contracts with differing terms and durations by which it purchases

electricity. In addition, the District contracts with the NCPA for scheduling services and cooperates to track state and federal legislative and regulatory activities.

**Determination 1:** The District works cooperatively with NV Energy and other power agencies to provide service to its customers.

#### **4.2.5 - Government Structure, Accountability, and Operational Efficiencies**

Truckee Donner Public Utility District is a non-profit utility providing electric and water service in the Truckee area. TDPUD is owned by its customers, not by stockholders, and is overseen by a locally elected Board of Directors consisting of five members, elected to staggered 4-year terms. Board members receive \$400 per month plus health benefits in compensation.

Board meetings of the District are held on the first and third Wednesday of each month. Meetings are held in the Board Room of the District headquarters building located at 11570 Donner Pass Road, Truckee. Board meetings are conducted according to the Brown Act. The Board has adopted a public outreach policy. Board meetings are televised and streamed over the internet. The agenda packets are accessible from any computer by accessing the District's website. The agenda includes an item for public comment. The Board conducts workshops before taking acting on significant issues. Prior board meetings are available online for viewing the District's website. The District also publishes a quarterly newsletter.

TDPUD has a customer service office to address customer complaints, as well as to provide information to residents and interested parties regarding provision of electricity in the area. The District maintains an outage guide that includes a list of businesses and contacts to be notified when a power outage affects their facility.

**As seen in Exhibit 2, the electricity services are provided to most of the district residents. Some areas to the east receive water service only and a small area in Placer County receives electricity only. The District's electricity service area is surrounded by the Liberty Energy service territory. There is no room to expand the electric service territory beyond its current boundaries without consent of the current service provider and the Public Utilities Commission. Staffing of the agency is shown in**

Table 9.

The Administrative Services Department is staffed by 18 people with the following functional areas: customer services and collections, billing meter reading accounting and finance, purchasing, data processing, human resources, and risk management.

The District maintains a Public Information and Conservation Department. The Department consists of three people responsible for outreach to the public, providing energy and water conservation services, administration of the District’s public benefits and solar photovoltaic programs, and tracking of state and federal legislation. In 2009 and 2010, significant public outreach was conducted around the new Water Meter Project and rates. New web pages were created to educate customers on the Water Meter Project. Online searches were developed to allow customers to search for their pump zone and to determine the schedule for installation of their water meter. Multiple workshops allowed customers to participate in the process of implementing the Water Meter Project, and in the evaluation of rate structures and new water rates. The Department was also responsible for newsletters, bill stuffers, and other communication channels.

**Table 9: Departments and Staffing**

Department	Function	Staffing
General Management	Managing day-to-day affairs	3
Administrative Services	Customer services and collections, billing, meter reading, accounting and finance, purchasing, data processing, human resources and risk management	18
Public Information and Conservation	Outreach, conservation services, administration of public benefits and PV programs, tracking legislation	3
Electric Operations	Operating, maintaining, repairing, and expanding electric distribution system	22
Power Supply/GIS	Acquisition of wholesale power	3

Recently, Union Pacific Railroad (UPR) requested the District to provide electric distribution service to an area south of Donner Lake in Placer County. The territory is outside the District’s boundary and at the time within the service territory of NV Energy. The District and NV Energy have agreed that the most cost-effective way to provide service is to have the District build the facilities.

Consequently, the District and NV Energy amended their service territory agreement to provide the service, and UPR has agreed to fund the cost of the new facilities. Most recently, NV Energy has since sold its Sierra Pacific service territory to California Pacific Electric Company (CALPECO), now called Liberty Energy. The amendment to respond to the UPR request has been approved by the California Public Utilities Commission (CPUC) during its review of the sale of Sierra Pacific’s territory to CALPECO. In order to go forward, the District may need to request an out-of-area service agreement or an annexation through LAFCo.



**Determination 1:** The TDPUD is governed by a five-member board of directors that is elected at large to 4-year staggered terms.

**Determination 2:** The TDPUD holds meeting on the first and third Wednesday of the month. Meetings are open to the public and shown on cable TV and through a link to the internet.

**Determination 3:** Staffing is adequate to provide the necessary services.

**Determination 4:** The District communicates to ratepayers through its website, a quarterly newsletter, and bill stuffers.

**Determination 5:** The District may be requesting LAFCo for an annexation or an out-of-area service agreement so it can respond to a request for service from the Union Pacific Railroad in the area south of Donner Lake.

#### **4.2.6 - Other Matters Related to Effective or Efficient Service Delivery as Required by LAFCo Policies**

LAFCo policies related to spheres of influence could affect service delivery. The policies are discussed in Section 1.2. In essence an area could only be included in the sphere if it is likely to require services or can feasibly be served by the agency within a time frame consistent with the Sphere Plan. However, the TDPUD is surrounded on three sides by service territory of Liberty Energy and PG&E service territory on the west. As a result the process of expanding its electric service boundaries requires additional steps not required for expansion of other services.

Annexation of the area is subject to Government Code Sections 56129, 56130, and 56131. Essentially, the code sections require LAFCo to notify the CPUC so they may begin an investigation to determine whether the proposed service will substantially impair the ability of the present service providers, Liberty Energy or PG&E, to provide adequate service at reasonable rates within the remainder of its service area. The CPUC's recommendation will then be filed with LAFCo for consideration by the Commission. Should the Commission act to grant approval of a new service provider, an election must be held within that territory to seek voter approval.

The District has received a request for service by the UPR for service south of Donner Lake. The area is outside the District's current boundary but within the sphere of influence. To serve that area the District has the option to submit an application to LAFCo for an annexation or for an out-of-area service agreement. Should the District decide on an out of area service agreement, CKH requires approval from the LAFCo of the affected county. The UPR property is in Placer county so the out of area service request would be made to Placer LAFCo. Their policies state that, Placer LAFCo prefers an annexation. In addition their policies state that Placer LAFCo will approve an out of area service agreement only when the District can show it is not reasonable or possible to annex the site at the time the request is submitted. In this case an annexation would be under the purview of Nevada LAFCo.

For the case of the UPRR territory the CPUC has reviewed the request and has indicated there would be no adverse impact on Liberty Energy.

**Determination 1:** LAFCo policies do not affect the ability to provide effective and efficient services within District boundaries.

Determination 2: LAFCo policies affect the ability to include territory in the sphere. Territories included in the sphere are those that are likely to need services which can be provided within the timeframe of the sphere plan.

Determination 3: Inclusion within the sphere will likely lead to annexation in the near term or long term horizon. Annexation of new territory requires a study by the CPUC and an election since the District is surrounded by the territory of investor owned utilities.

Determination 4: Service to the UPR property in Placer County will likely require annexation since Placer LAFCo (which would need to grant an out of area service agreement) policies give preference to annexation.

## **SECTION 5: SPHERE OF INFLUENCE PLAN, MAP, AND ANALYSIS**

### **5.1 - Proposed Sphere of Influence Map and Annexation Plan**

The sphere of influence for TDPUD was established in 1983, updated in 1998 (Exhibit 2). The original sphere included large areas of forestland that were not designated for development. In addition the area receiving electric services from the District is surrounded by the service area of another provider. However, the Union Pacific Railroad has requested the District provide electric services to an area south of Donner Lake in Placer County. The request has received the approval of the California Public Utilities Commission (CPUC). The CPUC is responsible for making sure investor owned utilities such as Liberty Energy are not harmed. In order for the District to provide services either through an out of area service agreement or annexation the area would need to be included in the sphere of influence.

Nevada LAFCo policies require a separate sphere for each service provided as well as eliminating areas from the sphere that are not likely to require services. The proposed water service sphere essentially follows the Town's sphere and the service area of the Truckee Sanitary District. In Placer County, the Placer County Water Authority (PCWA) provides water services to the areas that have been included in the District's sphere in the past. To avoid a potential for duplicating services the Placer County portion of the sphere has been eliminated in the proposed sphere. The electric service sphere is limited to current service boundaries with the addition of the area south of Donner Lake so as to provide services requested by the Union Pacific Railroad. It should also be noted that expanding the electric service sphere into territory served by other utilities adds the requirements of review by the CPUC and an election. The following sections provide analysis of the four determinations required by CKH to update the sphere.

### **5.2 - Factors of Consideration**

#### **5.2.1 - Present and Planned Land Uses**

The District boundaries include most of the Town of Truckee and the Town's sphere of influence. Areas within the Town limits and in the District's sphere include a portion of the far northeast corner and the eastern portion of the Town north of the Juniper Hills subdivision. Exhibit 4 shows the land use for the District's current sphere. The proposed sphere for both water and electric utility services is contained within the current sphere.

The area to the northeast is bisected by I-80. To the south lies an area of large-lot residential development with a density of one housing unit per 10 acres. Continuing north toward the Truckee River is an area of Resource Conservation/Open Space (RCOS) that extends to the river. Once across the river land use is rail corridor. At the far eastern edge of the Town and north of Juniper Hills, the area is designated as residential and RCOS.

The District's current sphere includes a large area south of the Town of Truckee in Placer County. The area is bisected by SR 89. The western portion is primarily forestland while to the east are some residential subdivisions in the Martis Valley. The area already receives water services from PCWA and electricity is provided by what is now Liberty Energy. The area, with one exception, is not included in the proposed sphere.

The exception is an area south of Donner Lake where the owner, Union Pacific Railroad, has requested electric utility services from the District. Current and planned land use is forest land.

There are no anticipated changes to land use in the other areas of the District's present and proposed sphere.

### **5.2.2 - Present and Probable Need for Public Services and Facilities**

#### **Water**

Much of the anticipated need would occur with growth in the Town of Truckee. During the last decade, the Town added an average of 238 new dwellings per year. The Town estimates there is a capacity for 7,000 additional dwelling units within its current boundaries. At the historic absorption rate, there would be complete buildout in 29 years. However, because of current economic conditions and the reduced growth rate, the Town now has a capacity of over 100 years of growth.

An additional need for water service would occur with the expansion of the Town's sphere of influence and development within the sphere. The Town proposed 502 new residential units in the 2025 General Plan Update. Since adoption of the General Plan, the planned development to the southeast has been purchased by the Tahoe Truckee Airport District and has been redesignated as a conservation easement. As a result, the Town's anticipated growth in the sphere area has been reduced to 313 units. Most of the new development would occur in the long-term horizon.

#### **Electric Utility**

From 1998 to 2007, the District saw an average of nearly 2 percent annual growth in its electric service area and a 2.3-percent increase in residential connections between 2000 and 2010. The growth in electricity demand was reduced by the conservation program which in 2007 established an energy savings target of 0.67 percent per year or 10,1014MWh. The TDPUD updated its 10-year energy efficiency targets in early 2010 as part of the SB1037/AB 2021 requirement. For the period from 2011 through 2020, the new energy savings target is: 19,880 MWh (-1.1 percent per year). This is a significant increase from the first energy savings targets, established in 2007.

To achieve its conservation goals the District increased investments in the program beginning in 2008. In 2010, the District continued to make significant investments in its Public Benefits and energy efficiency programs by spending 4.5 percent of its gross sales on the program. In 2010, the District's energy efficiency results included a first year energy savings of over 2.5 percent of gross electric sales. The District energy efficiency efforts rank among the top programs in California.

As a consequence of the conservation program and the economic downturn, the District anticipated an increased demand of 12 mw or approximately 1.8 percent growth over the next 15 years.

Since the electric service territory is surrounded by other service providers, the only need for electric utility services would be within the TDPUD boundaries. The only exception is the request for service by UPR south of Donner Lake. As mentioned, the District already has concurrence with Liberty Energy and the CPUC. The area needs to be included in the sphere of influence so the District can request LAFCo for an annexation or approval for an out of area service agreement. In addition the annexation, if approved by LAFCo, would require an election.

### **5.2.3 - Present Capacity of Facilities**

The District provides both water and electricity. Capacity for water and electricity has been addressed in the MSRs.

#### **Water**

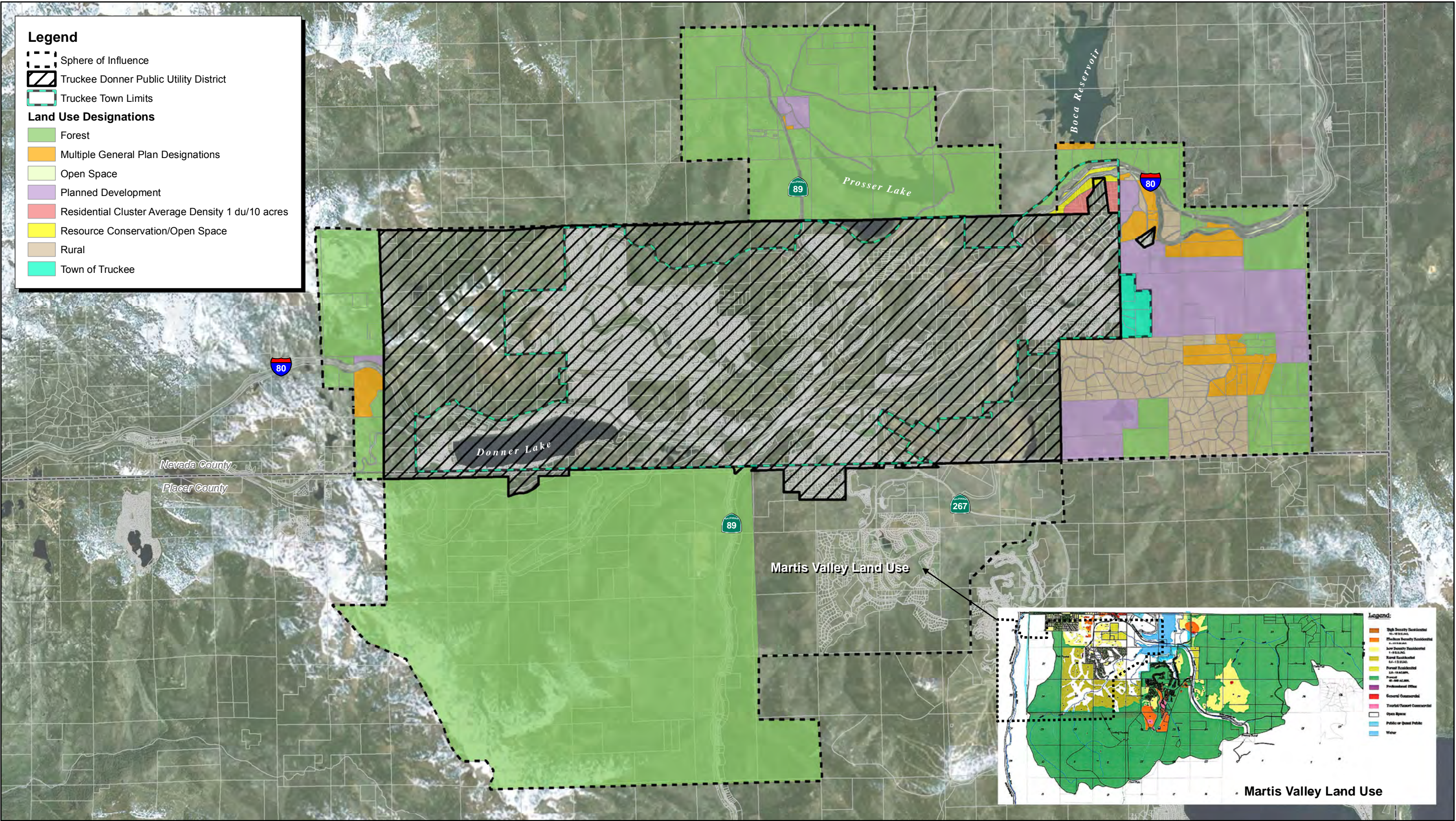
The TDPUD water system includes 195 miles of pipeline, 12 active wells, and 36 storage reservoirs. The primary source of water is groundwater from the Martis Valley Groundwater Basin (MVGB). The watershed covers most of the eastern portion of the Town and extends southward into Placer County. The quality of the water taken from this area is considered excellent. However, the implementation of new EPA guidelines on arsenic levels affected 12 wells and the capacity of the TDPUD system. In response, TDPUD took these wells offline. The 12 wells were replaced by two wells in 2006, which mitigated some of the loss of capacity.

The TDPUD system has a total capacity of 11.7 million gallons per day (mgd) and a firm capacity of 8.4 mgd. Projected growth at buildout of the Truckee 2025 General Plan would require an additional 17.1 mgd. TDPUD has been considering a number of alternatives to meet projected future demand. These include construction of additional wells not requiring filtration, additional wells requiring filtration, and a surface water treatment facility.

Estimated demand for buildout of the region is 22,490 AFY. The total available water supply for TDPUD is 24,000 AFY, which represents less than 5 percent of the 484,000 AFY available in the MVGB. The MVGB is recharged primarily by snowfall and snowmelt with an estimated annual recharge of 29,165 AFY.







Source: Nevada County GIS (2010); ESRI World Imagery; Truckee Donner Public Utilities District (2004).







In 2005, Nevada LAFCo approved the MSR for water services in the east county. The MSR determined that the MVGB can sustain groundwater extraction of between 24,700 and 34,000 AFY without adversely affecting the long-term storage of the basin. Considering the large amount of water in storage in relation to the projected buildout demand, the TDPUD Urban Water Management Plan concluded one year or even multiple years of below-average precipitation and basin recharge would not have a significant effect on water supply. Since demand is only 5 percent of water in the watershed, there appears to be sufficient capacity for the next 20 years even without recharge.

### **Electric Utility**

The TDPUD also supplies electricity to the greater Truckee area. The TDPUD serves approximately 13,000 residential and commercial electrical customers in the Downtown, Gateway, Tahoe Donner, Donner Lake, Prosser, Sierra Meadows, Martis Valley, and Glenshire neighborhoods. The TDPUD owns and operates approximately 133 miles of overhead and 82 miles of underground electrical distribution circuits. Power is provided through four electrical substations and 15 distribution circuits throughout Truckee. The TDPUD shares a distribution feeder with Liberty Energy (formerly NV Energy and before that Sierra Pacific Power Company) to serve the Glenshire area of the Town.

Every 5 years, the TDPUD reviews and adopts a new 15-year master plan. For the period between 1997 and 2007, the number of connections grew by 2.0 percent annually, and power consumption grew by 2.4 percent annually. Because of conservation efforts and economic conditions, the TDPUD is forecasting a 1.0-percent annual growth rate between 2007 and 2012. In order to meet projected demands, the TDPUD continues an aggressive conservation program and looks for alternative energy supplies.

### **5.2.4 - Social and Economic Communities of Interest**

Communities of interest include residential areas adjacent to the TDPUD boundaries and commercial or industrial areas that may be affected by a change in the sphere of influence. Residential areas include subdivisions within the Town of Truckee, such as Glenshire, the community of Hirschdale to the northeast, the community along the south shore of Donner Lake, and the Sierra Meadows subdivision of Martis Valley.

The District boundaries include much of the Town of Truckee. However, there are subdivisions within the Town that are in the current sphere of influence and not served. One such example is the area east of Glenshire. The Juniper Hills area, which is outside the District's service area, is characterized by large, low-density rural lots. Because of density considerations, serving the area may not be cost-effective.

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## 5.3 - Summary of Determinations

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### 5.3.1 - Present and Planned Land Use

The District boundaries include most of the Town of Truckee and the Town's sphere of influence (Exhibit 4). Areas within the Town limits and in the District's sphere include a portion of the far northeast corner and the eastern portion of the Town north of the Juniper Hills subdivision. The area to the northeast is bisected by I-80. South of I-80, the area contains large-lot residential development with a density of one housing unit per 10 acres. Continuing north toward the Truckee River is an area of Resource Conservation/ Open Space (RCOS) that extends to the river. Once across the river, land use is rail corridor. At the far eastern edge of the Town and north of Juniper Hills, the area is designated as residential and RCOS.

To the northeast of the Town limits, the District's sphere contains portions of the Town's long-term sphere. The area includes approximately 862 acres currently in open space designated as planned development.

Further to the east, the area is designated as forestland. The area to the southeast in the vicinity of Martis Creek Lake is designated a wildlife area; further east, the acreage has been purchased by the Tahoe Truckee Airport District for a conservation easement.

To the north, the area is designated primarily as forestland, except for a quarter-section approximately 2 miles north of the Town limit along SR-89 near Prosser Lake that is designated planned development.

In Placer County, the area south of Donner Lake and west of SR-89 has been identified as forest. This includes the area being considered for electric utility services for UPR.

### 5.3.2 - Present and Probable Need for Services

#### Water

Much of the anticipated need would occur with growth in the Town of Truckee. During the last decade, the Town has added on the average 238 new dwellings per year. The Town estimates there is a capacity for 7,000 additional dwelling units within its current boundaries. At the historic absorption rate, there would be complete buildout in 29 years. However, because of current economic conditions and the reduced growth rate, the Town now has a capacity of over 100 years of growth. The Town's newly adopted sphere of influence near-term sphere is already within TDPUD service territory as is most of the long-term sphere to the southwest. The area to the northeast in the Town's long-term sphere is also in the District's sphere. Development in that area would require additional water service from the District. In Placer County, PCWA provides water to areas that are in the current sphere. Consequently, there is no present or probable need for District's water services in Placer County outside the District's boundaries.

## **Electric Utility**

The District's electric service territory is surrounded by the service area of Liberty Energy that became the service provider on January 1, 2011. The District has purchased sufficient power to serve the area within its present boundaries. The District has instituted an aggressive conservation program that has reduced demand so that the District anticipates an annual growth rate of 1 percent. Recently, the UPR has requested services for parcels south of Donner Lake. At the time the service provider NV Energy agreed that the District was better able to provide services to that area. When NV Energy sold the service territory to CALPECO, now Liberty Energy, the CPUC during its review of the sale agreed to allow the District to serve that area. The area should now be considered for inclusion in the electric utility service sphere of influence, which would enable the District to apply to LAFCo for annexation or an out of area service agreement.

### **5.3.3 - Present Capacity of Facilities**

#### **Water**

Estimated water demand for buildout of the region is 22,490 AFY. The total available water supply for TDPUD is 24,000 AFY, which represents less than 5 percent of the 484,000 available in the MVGB. The MVGB is recharged primarily by snowfall and snowmelt with an estimated annual recharge of 29,165 AFY. There is sufficient capacity to meet the water demands of anticipated growth areas.

#### **Electric Utility**

Every 5 years, the TDPUD reviews and adopts a new 15-year electricity master plan. For the period between 1997 and 2007, the number of connections grew by 2.0 percent annually, and power consumption grew by 2.4 percent annually. Because of conservation efforts and economic conditions, the TDPUD is forecasting a 1.0-percent growth rate between 2007 and 2012. In order to meet projected demands, the TDPUD continues an aggressive conservation program and looks for alternative energy supplies.

### **5.3.4 - Social and Economic Communities of Interest**

Communities of interest include residential areas adjacent to the TDPUD boundaries and commercial or industrial areas that may be affected by a change in the sphere of influence. The District boundaries include much of the Town of Truckee. However, there are subdivisions within the Town that are in the current sphere of influence and not served. One such example is the area east of Glenshire. The Juniper Hills area, which is outside the District's service area, is characterized by large, low-density rural lots. Because of density considerations, serving the area may not be cost-effective.



## SECTION 6: RECOMMENDATIONS

### 6.1 - Sphere of Influence Boundary

Recommendations for the sphere boundary must take into consideration CKH requirements for definite boundaries. Of equal importance are Nevada LAFCo policies that preclude adding territory to the sphere of influence that is unlikely to require municipal services. Nevada LAFCo policies also require separate sphere plans for each service of a multi service special district. The following discussion identifies a sphere of influence for water service and electric utility services.

#### Water

The current sphere was established in 1998. Much of the sphere boundary coincides with section boundaries, particularly in Nevada County. The 1998 sphere boundary in Nevada County lies to the west of the Town of Truckee to include the portion of the Town's sphere west of Donner Lake, and it extends northward to include Frog Lake and the south fork of Frog Creek and its tributaries. Much of the area in this portion of the sphere is designated forestland. To the north, the sphere contains a large area around Prosser Lake. Much of that area is presently forestland, but the area northwest of Prosser Lake has been designated by the county as planned development. In the northeast, the sphere surrounds the community of Hirschdale (within the District's boundaries) and includes the areas designated by the County for planned development. To the southeast, the sphere includes Juniper Hills and the area south that has recently been converted from planned development to a conservation easement. While the Juniper Hills area may require services from the District, the conservation easement area is not likely to be developed.

In Placer County, the 1998 sphere can be separated into two areas: one south in the Martis Valley and the other south of Donner Lake and west of SR-89. PCWA now provides water service and it is unlikely the District will be asked to provide services.

#### Electric Utility

The electric service territory is limited in that the District's electric service territory is surrounded by the Liberty Energy service area. Expansion of electric services would require review by the Public Utilities Commission and Liberty Energy before LAFCo could entertain a change in the District's boundary and upon approval concurrence by the voters at an election.

Recently, the UPR has requested services for parcels south of Donner Lake. At the time the service provider NV Energy agreed that the District was better able to provide services to that area. When NV Energy sold the service territory to CALPECO, now Liberty Energy, the CPUC during its review of the sale agreed to allow the District to serve that area. The area should now be considered for inclusion the electric utility service sphere of influence. As part of the sphere District could request an annexation or an out of area service agreement from Nevada LAFCo.

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## 6.2 - Sphere of Influence Plan

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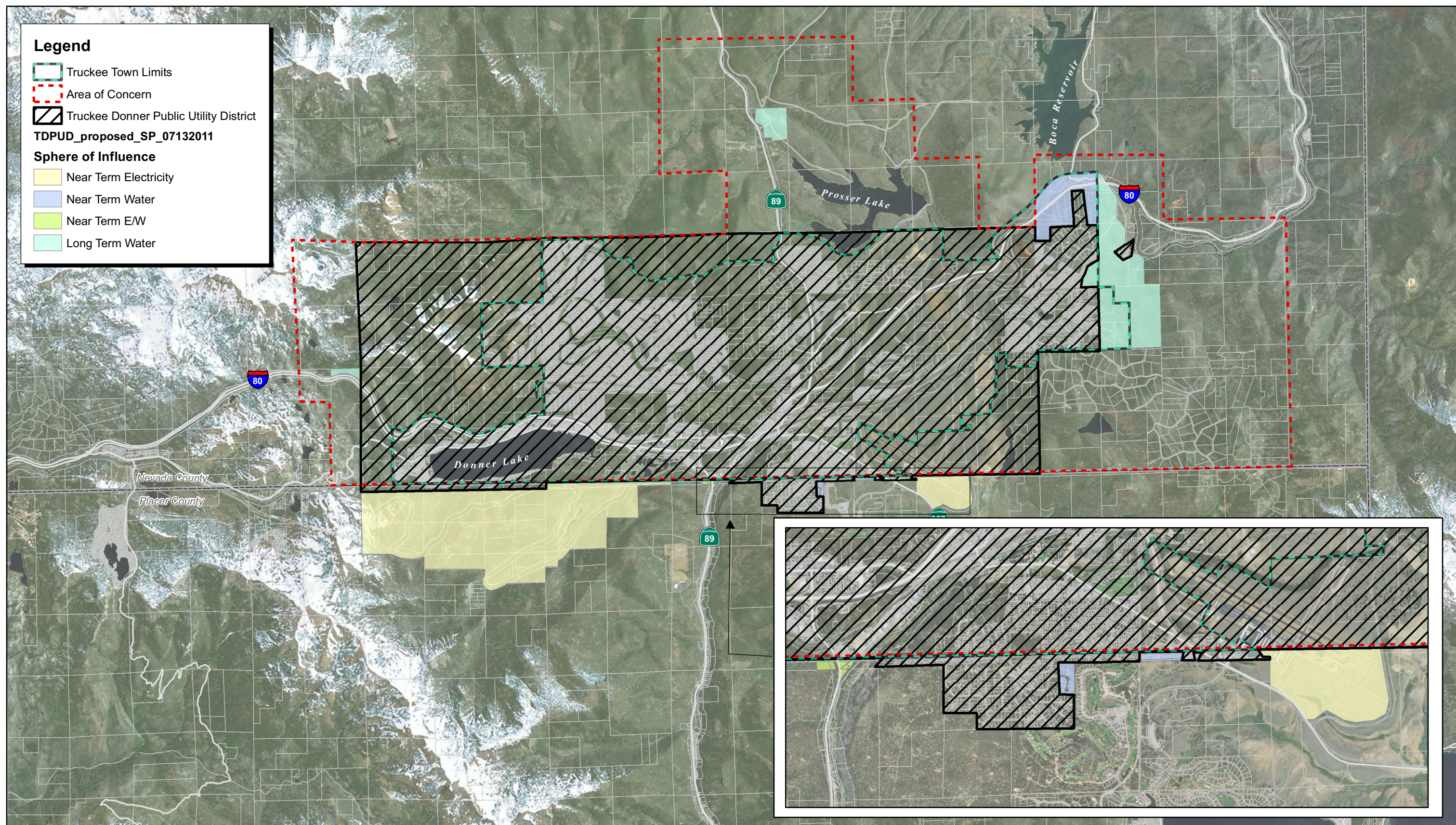
LAFCo policies identify two sphere designations: near-term and long-term for each of the services provided by the District. LAFCo may also designate as “area of concern,” to indicate an area in which the land use actions of one agency may have impact on another. Given current economic conditions much of the development and need for services will be infill projects within the Town’s boundaries or in the Town’s near term sphere. Both areas are within the present boundaries of the District. Outside the Town of Truckee expansion to the territory in the District’s sphere is likely to occur not in the short term but in the long term. With those considerations, the following recommendations apply to the Truckee Public Utility District Sphere Plan, as shown in Exhibit 5.

- **Near-Term Sphere Water:** The near-term growth is likely to occur as infill with the Town of Truckee. Based on these considerations the area north of Glenshire that is within the Town limits should be considered for the near term water sphere.
- **Near-Term Sphere Electric:** Expansion of electric services will depend on requests for service, an agreement with Liberty Energy to allow the District to provide services, and review by the CPUC. The CPUC is required to advise LAFCo whether the detachment of the territory from the current utility service provider will adversely affect other customers of the utility. The only area where all three criteria are met is the area south of Donner Lake in Placer County shown in Exhibit 5. The UPR has requested service, Liberty Energy has agreed to allow the TDPUD to provide service, and the CPUC has found no adverse impact on Liberty Energy customers. In addition there are a few parcels adjacent to but outside the District’s boundary that the District already serves and should be added to the sphere in anticipation of annexation (Exhibit 5).
- **Long-Term Sphere Water:** The long-term sphere should include areas in that have been designated for development in the current sphere, areas within the Town limit where development may occur in the future and areas in the Town’s long term sphere. Parcels satisfying these requirements include the parcel to the west of the District boundary along I-80, which is in the Town’s long term sphere. Another area to the north of Prosser Lake along SR 89 is included because it is contained in the current sphere and has been designated as PD, planned development, in the County’s General Plan. A third area to the northeast is in the Town’s long term sphere. It includes an area within the Town limits and east of Glenshire that has been considered for development as Tahoe Boca Estates and now Canyon Springs. The Town is processing an application but is waiting for the EIR to be completed so the schedule for development and the need for services is uncertain.
- **Long-Term Sphere Electric:** Due to the economic downturn with the expectation of limited growth and the constraints on expansion of the electric utility service territory, no long term sphere is proposed at this time.
- **Areas of Concern:** Since PCWA provides water to areas in Placer County and Liberty Energy provides electric utility services outside the proposed sphere of influence, the area of concern is

limited to water services in portions of Nevada County that are within the 1998 sphere. The areas to the west and north are designated forestlands. It is unlikely that the area will be developed, but it may affect the District if the County were to entertain a development proposal. These areas are still close enough to the District so that any changes to land use would be of concern to the District.











## SECTION 7: CONCLUSIONS

The analyses presented in this study leads to the following conclusions:

- The Municipal Service Review of water services for the District has concluded there is sufficient capacity for buildout of the area as specified in the 2025 General Plan for the Town of Truckee and the portion of the Martis Community Plan within District boundaries.
- The Municipal Service Review for electric services has concluded the District has sufficient capacity to accommodate growth within its service territory.
- With regard to the four determinations required by CKH:
  - *Present and planned land use*: The District boundaries include the Town of Truckee and most of the Town’s sphere of influence. The Town’s 2025 General Plan identifies land uses with the potential for 7,000 additional residential units that would require services of the District. Land use in the Town’s sphere would provide for an area of planned development to the southwest and northeast of the Town. Areas outside the Town are designated forest in Nevada County. The present sphere includes two areas in Placer County bifurcated by SR-89. To the west, much of the area is designated timberland; to the east, there is a mix of residential and forest land. The Placer County portions of the current sphere are served by PCWA for water and Liberty Energy for electric utilities.
  - *Present and probable need for public services and facilities*: Infill projects within the Town and development in the Town’s near-term and long term sphere would require services of the District.
  - *Present capacity of facilities*: There is sufficient capacity for services to both the proposed water and electric utility sphere of influence.
  - *Social and economic communities of interest*: Communities include subdivisions within the Town of Truckee, such as Glenshire, the community of Hirschdale to the northeast, the Juniper Hills subdivision to the southeast and the community along the south shore of Donner Lake.,
- The proposed sphere of influence for water services would include areas within the Town limits, within the Town’s long-term sphere, and areas proposed for development in the Nevada County General Plan.
- The proposed sphere of influence for electric utility services includes the area south of Donner Lake where the landowner, UPR, has requested services.
- Additional environmental review is needed to address any potential impacts related to a smaller sphere of influence and to address any potential impacts to climate change.



## SECTION 8: CEQA

**SECTION 9:** Actions taken by LAFCO are subject to CEQA. For CEQA purposes, Nevada LAFCo is the Lead Agency and must complete an environmental analysis of the impacts of the proposed sphere of influence. Implementation of the project is anticipated to result in an updated Truckee Donner Public Utility District sphere of influence. The update will not specifically implement or directly result in the construction of any new facilities at this time. Neither Nevada County LAFCo or Truckee Donner Public Utility District has any land use regulatory authority within the proposed sphere of influence areas. The jurisdiction for land use matters in the affected territory remains with either Nevada County or the Town of Truckee, and neither the Nevada County LAFCo or the Truckee Donner Public Utility District has the authority to facilitate future development in a manner different than is currently outlined by these jurisdictions in their applicable general plans. As a result, the associated environmental effects have been addressed in the General Plan Update Environmental Impact Reports certified by the Town of Truckee, County of Nevada, and the County of Placer with the exception of the issue area concerning the effects of greenhouse gas emissions. Also, the project could have an indirect growth inducement potential, as it could remove an obstacle to growth and development, such as removing a constraint on a required public service. For example, the provision of increased wastewater conveyance and treatment capacity in an area where the lack of such service has historically limited growth could be considered growth inducing. Therefore, the effects of greenhouse gas emissions and the potential for growth-inducing impacts have been analyzed in an Environmental Impact Report, which has been included herein as Appendix B.



## **SECTION 10: ACRONYMS**

AFY	acre-feet per year
ARRA	American Recovery and Reinvestment Act of 2009
CALPECO	California Pacific Electric Company
CDF	California Department of Forestry
CEQA	California Environmental Quality Act
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CPUC	California Public Utilities Commission
DRA	District Reorganization Act
EIR	Environmental Impact Report
EPA	U.S. Environmental Protection Agency
FY	fiscal year
GHG	greenhouse gas(es)
gw	gigawatt
IEEE	Institute of Electrical and Electronics Engineers
IS	Initial Study
Kw	kilowatt
KWh	kilowatt-hour
LAFCo	Local Agency Formation Commission
mgd	million gallons per day
MND	mitigated negative declaration
MORGA	Municipal Organization Act
MOU	memorandum of understanding
MSR	Municipal Service Review
MVGB	Martis Valley Groundwater Basin

***Acronyms and Definitions***

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mw	megawatt
MWh	megawatt-hour
NCPA	Northern California Power Agency
NCSD	Northstar Community Services District
ND	Negative Declaration
NITS	Network Integrated Transmission Service
OPR	Governor’s Office of Planning and Research
PCWA	Placer County Water Authority
PRD	planned residential development
PUD	Public Utility District
RCOS	zoning designation for resource conservation/open space
SOI	Sphere of Influence
TDPUD	Truckee Donner Public Utility District
TDU	transmission dependent utility
UAMPS	Utah Associated Municipal Power System
UPR	Union Pacific Railroad
WAPA	Western Area Power Administration



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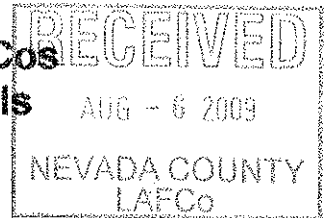
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**Appendix A: Agreement Between Placer  
and Nevada LAFCos for Coordination  
on Cross-County Proposals**

# **Agreement between Placer and Nevada LAFCo for Coordination on Cross-County Proposals**



## **1. Policy Background**

Placer County and Nevada County share a significant number of multi-county special districts that provide services and have territory in both counties. Consequently, development proposals for territory located in close proximity to the county boundary may rely upon one or more multi-county special districts for public services and utilities.

Placer and Nevada Local Agency Formation Commissions recognize that land ownerships and development patterns do not always follow county boundaries and that proposals involving territory wholly or partially located in one county can have significant environmental, economic, or fiscal impacts on another county.

LAFCo law assigns authority for proposals involving multi-county special districts to the LAFCo of the Principal County; it also authorizes the Principal County LAFCo to make determinations regarding a multi-county special district's sphere of influence and the services it provides. Nevertheless, the LAFCo of the adjoining county, with territory proposed for annexation or inclusion in a sphere, has direct access to information necessary to the decision-making process and may have a strong interest in the determination to be made.

Both Placer and Nevada LAFCos recognize that when a proposal has potential impacts in both counties, an open exchange of information, policies and perspectives between the neighboring LAFCos will greatly assist the decision-making process. Early mutual agreement between the LAFCos on the timeline and decision-making process will help ensure the public will have adequate opportunity to comment on the proposals, as well as provide assurance that the process is fair and objective.

## **2. Specific Agreement**

In recognition of the principles outlined above, the LAFCos of both counties agree in general to share information and perspectives and to engage in joint activities relative to proposals which overlap jurisdictional boundaries whenever doing so does not conflict with existing law and when such measures can reasonably be expected to reduce costs, improve efficiency in performance of LAFCo actions, or enhance the quality of LAFCo decisions. Examples of opportunities for such joint and cooperative activities include:

- 2.1. Conduct and adoption of any Municipal Service Reviews ("MSRs") that are required for cross-county proposals;
- 2.2. Adoption, update and amendment of Sphere of Influence Plans ("SOIs"), including adjustments of sphere horizons and changes in the assignment of territory to particular horizons;
- 2.3. Changes of organization such as formation, dissolution, annexation, and detachment;
- 2.4. Actions affecting the provision of services, such as changes in service boundaries and provision of new services.

3. Information Sharing

The Executive Officer of each LAFCo will notify the neighboring LAFCo Executive Officer within five (5) working days of

- initiating action on an MSR, SOI, organizational change, or service change involving a cross-county district or
- receiving information about any action that involves such a district (including notice of action by the County or by any affected agency).

4. Data Development

The Executive Officers of both LAFCos will collaborate along with their respective Geographic Information Systems Departments to develop consistent mapping documents that can be used by both LAFCos and Planning Departments.

5. Joint Planning/Conduct of Activities

An ad hoc committee consisting of two Commissioners and the Executive Officer from each LAFCo will be appointed and will meet as needed or at least once annually. Reasons for meeting may include the submittal of an application to either County's Planning Department of a proposal involving a multi-county district deemed by either LAFCo's Executive Officer or Commission to be substantial in nature; in response to the issuance of a Notice of Preparation of an EIR; following the release of a draft EIR; prior to initiation of any required MSRs and Sphere Amendments; and any other situation in which the Committee's members believe meeting would be helpful.

6. Public Process


- 6.1. Both LAFCos agree that any public hearings or workshops on such proposals will be held at a location convenient for the residents and landowners of the affected area to attend and participate.
- 6.2. The Commissions also agree to hold special meetings on the same day when possible in order to ease the burden of attendance on the public. If possible, meetings will be consolidated.

7. Termination of Agreement

This agreement is intended to be an on-going agreement between Nevada LAFCo and Placer LAFCo and will remain in effect even if a particular proposal does not require decision-making by both LAFCos. In such a case, the LAFCo serving as the Principal County LAFCo for the district(s) involved in the proposal shall continue to notify the affected LAFCo of its consideration of any related proposals and will continue to seek and consider comments from the other LAFCo.

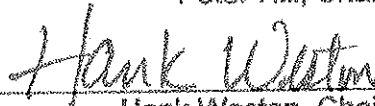
Termination of this agreement may be effected by either LAFCo upon thirty (30) days' written notice.

Agreed for Placer LAFCo: \_\_\_\_\_

  
Peter Hill, Chairman

7/2/09  
Date

Agreed for Nevada LAFCo: \_\_\_\_\_

  
Hank Weston, Chairman

7-14-09  
Date





Appendix B: **Summary of Power Supply  
Contracts April 2011**



TRUCKEE-DONNER PUBLIC UTILITY DISTRICT  
SUMMARY  
OF  
POWER SUPPLY CONTRACTS  
AS OF  
APRIL 2011

<b>Truckee Donner PUD Power Supplies (as of 2011) Resource, Capacity, Location</b>	<b>Description and Status Firm or Non-Firm</b>	<b>Types of Power  Start End</b>
WAPA Contract 00-SNR-00374, Base Resource percentage, CVP	Base Resource assigned to NCPA, As available Hydro, Non-Firm	Hydro – Mostly Large, some Small Start: January 2005 End: December 31, 2024
WAPA Contract 07-SNR-01026, Shared with City of Fallon 0 to 3.5 MW, Stampede Dam California	Stampede Generation, Shared with City of Fallon, Agreement with City of Fallon for TDPUD to receive Stampede generation in exchange for similar amount of power from UAMPS. Non-Firm run of the river.	Hydro – Small Start: August 2007 End: December 31, 2024
UAMPS – Power Pooling Agreement, Capacity and Energy to meet load, various locations	Pooling Agreement in which Pooling Appendix are transacted under.	Entered into October 2005 No end date, requires cancellation of all UAMPS appendixes to exit.
UAMPS – All in Pool, Capacity and energy to meet load, various locations	Pooling contracts where members share short and long positions at cost of generation to meet member's loads. Firm – All in Pool	Firm – All in Pool Agreement
UAMPS- PPM Pooling Appendix (PPA) Pleasant Valley Wind – within Master Firm Power Supply Project, 227.5 KW Wyoming	PPM, 200 KW (July 2009 27.5 KW added in May 2011 Total 227.5 KW, Pooling Appendix	Firm Wind Started: July 2009 (200 KW) End : Dec 31, 2028
UAMPS – Nebo Natural Gas Generation. 5 MW entitlement share	Entitlement Share of Natural Gas Generation Project, Nebo	Firm Natural Gas Started: Dec 2008 End : Entitlement Share (Ownership)
UAMPS – Pool Appendix, Murray City Land Fill Gas Generation, Jordan Landfill, 70% of plant output, approx 2MW	Pool Appendix. Jordan Land Fill Gas Generation 70% of Output, approx 2 MW	Land Fill Gas Started: Jan 2011 End: Dec 2023
UAMPS – SC&E/IPP Resources, various capacity by season 2007 thru 2012, Delta Utah	Pool Appendix for Shaped Capacity and Energy 2007 thru 2012. Varying amounts by	Coal Firm Started: April 1, 2007

	season (Summer vs. Winter)	End: March 31, 2012
UAMPS – SC&E/IPP Resources, Murray City, Spring City, and Logan: Various capacity ranging from 50 kw to 3333 kw, 2007 thru 2012, Delta Utah	Pool Appendix with Murray City, Spring City and Logan from Winter 2007 thru March 31, 2012	Coal Firm Started: April 1, 2007 End: March 31, 2012
UAMPS – Firm Market Product, Pool Appendix, 4936 kw summer, 10,794 KW summer	Pooling Appendix Firm Market Product from Morgan Stanley, 4936 kw Winter 10,794 kw summer	Market Product Firm Start: April 1, 2012 End : March 31, 2017
UAMPS – Horse Butte Wind Project, 15,000 KW, Idaho Falls	UAMPS Power Sales Contract 15,000 kw nameplate estimated at 30% load factor that will give approx 5000 kw output	Wind Non-Firm Start: Estimated Jan. 2012
UAMPS – REC Purchases	UAMPS Sales Agreement, Pleasant Valley Wind REC purchase. Various agreements covering different years.	REC – Wind Start : 2008 End : 2011

Appendix C: **CEQA Analysis**  
**[FORTHCOMING]**



Appendix D: **Comments Received**  
**[FORTHCOMING]**